



STATE OF WASHINGTON
DEPARTMENT OF COMMUNITY,
TRADE AND ECONOMIC DEVELOPMENT

Washington State

2006 ACTION PLAN

Amended
January 2006

Juli Wilkerson
Director

Department of Community, Trade and Economic Development

906 Columbia Street SW ♦ PO Box 42525 ♦ Olympia, Washington 98504-2525



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PART I – OVERVIEW



Early Childhood and Family Services
Center
White Salmon, Washington
1995 CDBG General Purpose Grant

Photo Courtesy CDBG/CTED

***The Action Plan
provides guidelines on
how HUD resources will
be distributed and used
by CTED.***

OVERVIEW

The Washington State Action Plan describes how the Department of Community, Trade and Economic Development (CTED) will distribute the funds received from the U.S. Department of Housing and Urban Development (HUD). On an annual basis, the Action Plan formally amends the state's 2005 – 2009 Consolidated Plan for Housing and Community Development. Upon approval by HUD, CTED receives funding distributed by formula under the state Community Development Block Grant (CDBG), Emergency Shelter Grant (ESG), HOME Investment Partnerships (HOME), and Housing Opportunities for Persons With AIDS (HOPWA) programs.

The Action Plan provides guidelines on how HUD resources will be distributed and used by CTED; provides information on how CTED will address the individual requirements of the CDBG, ESG, HOME and HOPWA programs; and explains any proposed programmatic or operational changes for 2006.

At this printing, the appropriations process for these programs has not been completed. All amounts listed for distribution in this document therefore are based upon estimates of what may be available after Congress acts and may require adjustment based on actual federal budget allocations.

CTED Organization

The four HUD formula programs are administered within three divisions of CTED, as follows:

CTED Director		
Housing Division	Local Government Division	Economic Development Division
ESG HOME HOPWA	CDBG	CDBG-Supported Loan Funds

Under the authority of CTED's Director, the divisions coordinate the administration and annual reporting of these HUD funds for the state.

Requesting a Copy of the Action Plan

The 2006 Action Plan is available on CTED's website at www.cted.wa.gov/cdbg. Printed copies of the 2006 Action Plan are available by contacting Sarah Sweeney at (360) 725-3020 or by email at sarahs@cted.wa.gov. This publication is available in alternative format upon request.

Opportunity to Comment

A public hearing was held at 10:30 a.m. on August 22, 2005, in Olympia, Washington. The formal review and comment period for the draft 2006 Action Plan began on September 7, 2005, and ended at 5 p.m. on October 7, 2005. Written comments were accepted through October 7, 2005 by Kristen Carmichael by email at kristenc@cted.wa.gov or mail at:

Community Development Programs
Community, Trade and Economic Development
906 Columbia Street Southwest
Post Office Box 42525
Olympia, WA 98504-2525

Comments received during the comment period are summarized in the Citizen Participation section of this Action Plan.

HUD Approval

The Action Plan is submitted to HUD as required by November 15, 2005. HUD has until the beginning of the program year on January 1, 2006, to comment on the Action Plan. Once the Action Plan is approved by HUD, an official version will be available on the CTED website at www.cted.wa.gov/cdbg or upon request.

ANTICIPATED RESOURCES

CTED receives a variety of federal and state resources to meet the state's housing and community development priorities. Many resources are linked together to secure maximum benefit to clients, such as weatherization and home repair. Federal and state resources are leveraged with non-public funds to maximize cost efficiency and to stretch the public dollar.

The following table highlights the HUD funds and major federal and state housing resources that CTED anticipates receiving in 2006, including program income. The programs are in general categories for purposes of this table. Many of the programs offer a variety of services that cross categories. Not all of CTED's housing programs are detailed here (i.e. technical assistance). The emphasis is on major programs that directly increase or maintain the supply of affordable housing in the state and CDBG funds.

Table I-1: Anticipated State and Federal Resources by Program

	Federal Funds <u>1/</u>	State Funds <u>2/</u>
Affordable Housing		
The Housing Trust Fund (HTF) will dedicate funds for a variety of low-income housing activities including weatherization, repair and rehabilitation. The HTF will also target resources to farmworkers, homeless families with children, people with developmental disabilities and survivors of domestic violence.		\$100,000,000
The HOME Program funds will be used for 2006 priority strategies and initiatives.	\$11,133,364	
American Dream Downpayment Initiative (ADDI), a component of the HOME program, will be used for downpayment assistance to eligible first time homebuyers.	\$294,191	
Housing Opportunities for People With AIDS (HOPWA) will provide a variety services including short and long-term rental assistance and operating subsidies to keep rents affordable.	\$619,000	
Homeless Services		
State and federally funded programs will provide shelter and services for people who are homeless and use resources to prevent homelessness.	\$1,363,419	\$12,534,638
Supportive Housing		
CTED will compete for federal McKinney funds on behalf of 25 counties in the Balance of State to support a Continuum of Care homeless services system.	\$1,200,000	\$17,527,452
The State appropriated funds for services for homeless families in transitional housing.		
Repayments		
HOME loan repayments – same uses as HOME program funds.	\$703,400	
Housing Trust Fund loan repayments- same uses as HTF program.		\$9,006,500
<u>1/</u> Annual: FFY 2006 estimates. <u>2/</u> Bi-Annual: July 2005-June 2007		

Table I-1: Anticipated State and Federal Resources by Program (Continued)

ANTICIPATED STATE AND FEDERAL RESOURCES BY PROGRAM (cont.)		
	Federal Funds <u>1/</u>	State Funds <u>2/</u>
Community Development Block Grant		
The CDBG Community Investment Fund provides eligible communities the opportunity to access technical and financial assistance throughout the year for locally prioritized strategic community and economic development projects that benefit low- and moderate-income persons or address slum/blight.	\$4,107,728	
CDBG General Purpose grants, with an annual competitive funding cycle and maximum grants of up to \$1,000,000 per application, funds local housing, public facilities, community facilities, or economic development/microenterprise projects principally benefiting low- and moderate-income persons.	\$7,000,000	
CDBG Housing Enhancement grants are flexible companion funds to support priority applications submitted to the Washington State Housing Finance Unit.	\$800,000	
The CDBG Housing Rehabilitation grant program provides maximum grants of up to \$500,000/year to local housing rehabilitation activities in coordination with other CTED housing rehabilitation programs.	\$1,100,000	
CDBG Imminent Threat grants address unique emergencies posing a serious and immediate threat to public health and safety on a fund availability basis.	\$166,000	
CDBG Planning-Only Grants fund planning projects that principally benefit low- and moderate-income persons with grants of up to \$35,000 for a single-jurisdiction and \$50,000 for multi-jurisdiction applicants on a funds available basis.	\$500,000	
CDBG Public Services grants are made available through counties to 12 community action agencies serving non-entitlement areas for activities serving low- and moderate-income persons. Funding is provided by formula and administration is coordinated with the state Community Services Block Grant Program.	\$1,660,720	
The Section 108 Loan Guarantee program pledge future CDBG resources to secure loan guarantees for eligible community and economic development activities.	\$17,000,000	
The Rural Washington Loan Fund provides gap financing to small businesses, primarily in economically distressed and timber-impacted areas of the state to create or retain jobs for low- and moderate-income persons.	\$7,200,000	
CDBG Float-Funded Activities are fully secured loans made in support of CDBG eligible community and economic development projects. The capital that is made available for Float-Funded Activities comes from unexpended CDBG awards to local governments.	\$18,000,000	



Groundbreaking Ceremony
Wenatchee Community Center
August 28, 2005

2004 CDBG Community Investment Fund
Grant for \$1,000,000

Featuring:
US Congressman Doc Hastings and
Steve Washington,, Managing Director
Community Development
Programs/CTED
(Second from left and far left)

Photo courtesy CTED

LEVERAGING MATCH

CTED will evaluate and analyze each proposal for HOME funds to ensure that a minimum federal subsidy is being used to develop each project and that federal funds will effectively leverage additional resources. Each proposal will be required to describe sources and uses for all project financing and to provide a line-item development budget and/or an operating pro forma. CTED will look for opportunities to leverage other non-federal funds, if available, and to use other federal subsidies identified for development and on-going operations, if appropriate. For example, in HOME, other federal subsidies will be used if such subsidies help to maintain affordable housing projects by providing sufficient reserves for both replacement and operating costs.

HOME eligible match sources will be tracked on a project basis and reported annually. Match sources can include state HTF, Energy Matchmakers, Bonneville Power Administration and other utility funds, and some other private and public funds that meet HOME match requirements and when targeted to HOME-eligible activities.

Matching requirements for ESG will be met by funds identified by local jurisdictions that are committed to housing and services for the homeless. No match is required for HOPWA.

While the CDBG program has no match requirements, leveraging is strongly encouraged through the rating and selection process. Funds leveraged by the CDBG program will be tracked on a project basis and reported in the Consolidated Annual Performance Evaluation Report (CAPER) to HUD.

GEOGRAPHIC DISTRIBUTION

The major geographic distinction that affects the allocation of funds is between the state's major urban centers, most of which are also participating jurisdictions for HOME funding and formula jurisdictions for ESG funding, and the smaller cities and rural areas of Washington. The urban centers, especially the Seattle-Tacoma metropolitan area, have a number of strong, experienced, non-profit housing developers and advocates. These cities have been able to raise local funding for housing and to develop innovative projects and programs.

In smaller cities and rural areas, excellent work has also been done especially with the help of technical expertise provided by CTED. The Washington State Housing Finance Commission (WSHFC) policies encouraging the use of single-family mortgage revenue bond programs and tax credits in rural areas have also provided

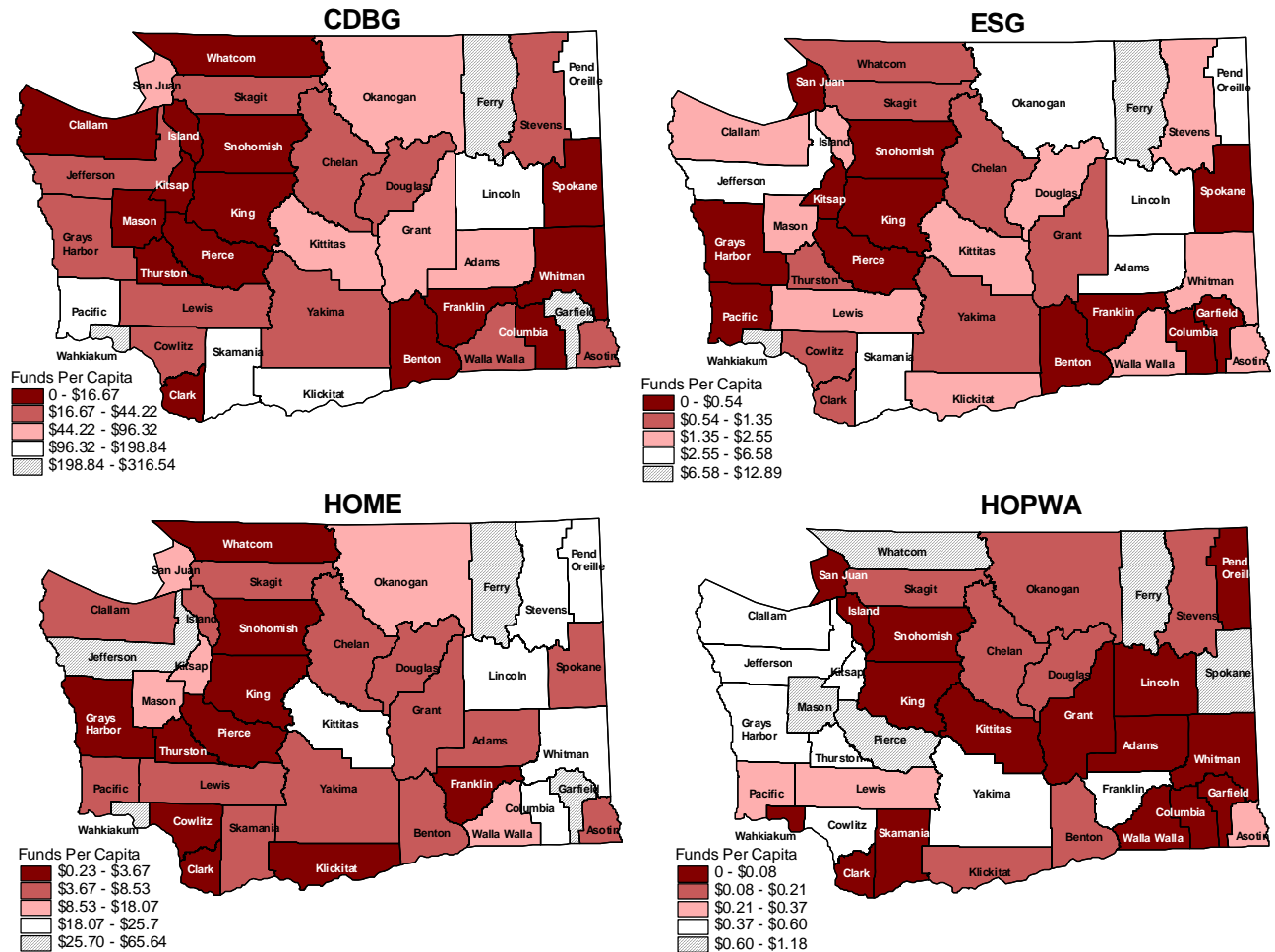
increased capacity in small cities and non-metropolitan counties. However, capacity building remains a major need in these areas. Local coalitions and non-profits need assistance in all stages of housing development; that is, getting organized, assessing needs and market, raising operating funds, putting together project financing, managing construction, and managing completed projects. State funding has been available for capacity building, but only in very limited amounts.

Funding for housing development in small cities and rural areas will be made available by:

- Targeting 30 percent (30%) of the funds in the state's Housing Trust Fund to rural areas.
- Prioritizing the allocation of HOME funds to those areas of the state that do not receive other allocations of HOME funds.
- Continuing to use state CDBG programs to support housing planning and development in non-entitlement jurisdictions.
- Continuing to distribute ESG in areas that are not directly allocated ESG funds by HUD.
- Using 100 percent (100%) of HOPWA formula allocation funds in jurisdictions that are not part of major metropolitan areas currently receiving HOPWA allocations directly from HUD.
- Distributing funds from the state's Emergency Shelter Assistance Program (ESAP) and Transitional Housing Operating and Rent (THOR) by formula allocation to all 39 counties.
- Allocating formula funds for federally funded weatherization services to 26 agencies serving all counties.

Aside from these funding targets, CTED does not set aside funds for particular regions at this time. CTED's experience has been that open funding programs or programs using competitive funding criteria serve the state best by allowing each area to organize and develop those projects that meet local needs. As a result of this policy, the CDBG Program has successfully provided funds in traditional low-income areas of the state such as the Yakima Valley, as well as resource dependent areas such as Grays Harbor, Pacific, and Okanogan Counties.

Map I-2: Geographic Distribution of HUD Funds Received by CTED by Program Per Capita 2002-2004



Map Notes:

CDBG

State CDBG eligible or *non-entitlement* cities and towns are those with less than 50,000 populations or counties with less than 200,000 populations provided the cities, towns, and counties do not participate as members of HUD Urban County Consortiums. The *entitlement* jurisdictions receive CDBG funds directly from HUD. This map does not show the amount of CDBG funds received by the entitlement cities or counties, but only shows the geographic distribution of state CDBG funds.

ESG

Counties showing lesser amounts per capita may be counties that receive their funding directly from HUD or small counties that have a lesser need for ESG funding or have declined to apply for ESG funding, such as Pacific County. The counties receiving their funding directly from HUD are King and Pierce.

HOPWA

Counties showing lesser amounts per capita may be counties that receive their funding directly from HUD or small counties that have not expressed a need for HOPWA funding. The counties receiving their funding directly from HUD are King, Island, Clark and Snohomish. Skamania County is served by Portland EMSA.

HOME

Counties showing lesser amounts per capita may be counties that receive their funding directly from HUD. Tenant Based Rental Assistance and Housing Repair and Rehabilitation funds are targeted to households in areas of the state not served by local HOME participating jurisdictions. The development program for rental housing awards funds statewide.

It is CTED's policy to recapture unspent grant dollars when it is clear that the recapture will not prevent a grantee from completing approved activities.

GENERAL GUIDELINES

Reallocated Funds

Reallocated funds are those that HUD has recaptured from a grantee and reallocated to the state. Reallocated funds received by the state with the annual grant will be made available to eligible jurisdictions in 2006, in accordance with the method of distribution described in this Action Plan.

Recaptured Funds

Recaptured funds are those which are de-obligated by the state from local service providers and redistributed to ensure the maximum and best use of resources. It is CTED's policy to recapture (de-obligate) unspent grant dollars when it is clear that the recapture will not prevent a grantee from completing approved activities. Resources that are not used within established timeframes may be recaptured.

Program Income

Program income is any income generated from the use of CTED allocated funds, such as, proceeds from disposition of property, loan repayments with interest, and proceeds from sale of loans. All program income accrued while a contract is still open and active must be used prior to drawing additional program funds from the state. Program income from active contracts must be accounted for on each reimbursement request. Income earned by the grantee as a result of project activities after project completion and after administrative closeout, retains its federal identity and must be reported to CTED annually if it exceeds \$25,000 in any calendar year.

SUMMARY OF CHANGES

Four Proposed Changes To The Home Investment Partnership (HOME) Program:

- The HOME Rental Housing Preservation and Development (RHRP) funds are renamed as General Purpose (GP) funds. HOME GP funds will continue to be targeted to rental housing projects, with a focus on permanent, transitional and supportive housing projects serving people who are homeless or who have special needs and whose incomes are at or below 30 percent (30%) Area Median Income (AMI).
- HOME GP funds will be awarded separately from the award of funds from the HTF. HOME GP funds were previously awarded in conjunction with the HTF application process. This approach resulted in uncertainty for

applicants about the funding source of CTED awards and the process created some administrative challenges for CTED.

- The allocation of ADDI funds will change. Fifty percent (50%) of FFY 2006 ADDI funds will be awarded to the WSHFC for use in their Homeownership program at the beginning of the year. The remaining 50 percent (50%) of ADDI funds will be available for award during the HTF application process. Any ADDI funds not used during the Spring 2005 HTF application round may be awarded to the WSHFC, based upon criteria such as demand and performance after June 30, 2006.
- Additional HOME Program funds may be used to match ADDI awards. Generally, awards of ADDI funds during the HTF application process will be matched dollar for dollar by HOME funds. Additional HOME funds, not to exceed HOME subsidy limits, may be awarded on a case by case basis to encourage targeting to extremely low-income, special needs households.

Anticipated Decrease in CDBG Funding from HUD

The state CDBG Program expects its 2006 award from HUD to be decreased by approximately 8 percent (8%) from its 2005 award. This projection is based on recent congressional budget figures. To accommodate this anticipated decrease, the CDBG program intends to reduce the total amounts allocated to the CDBG funding programs, further described in the CDBG Program Action Plan and as summarized below:

WA State CDBG Program	2005 Allocations	2006 Proposed
Community Investment Fund	\$5,178,030	\$4,107,728
General Purpose	7,500,000	7,000,000
Housing Enhancement	1,000,000	800,000
Housing Rehabilitation	1,500,000	1,100,000
Imminent Threat	300,000	166,000
Planning-Only Grant	600,000	500,000
Public Service	1,766,000	1,660,720
TOTAL	\$17,844,030	\$15,334,448

Excess contingency funds will also be used to support the CDBG programs above as needed.

Local Prioritization Process for CDBG Community Investment Fund

The CDBG Community Investment Fund previously used the Washington Community Economic Revitalization Team's (WACERT) prioritization process to document local priority



**Main Street
Hopelink Place Transitional Housing –
Bellevue, Washington**
Photo Courtesy CTED Housing Division

projects for funding. In 2005, CTED stopped maintaining this listing of local priorities, although most counties still continue a local prioritization process. The CDBG Program intends to use the local processes to establish which projects are eligible for a Community Investment Fund grant while it assesses the effectiveness of this approach.

PERFORMANCE MEASURES

CTED collects data and assesses its performance in meeting the goals and objectives in the administration and distribution of its funds allocated by HUD. CTED will measure its performance with the use of the 2006 funds from HUD based on both existing and proposed measurements. To be measured is how these funds contribute to the accomplishment of both the following CTED Key Goals, as identified in its 2005 Strategic Plan, and HUD's Statutory Program Goals:

CTED Key Goals

1. Grow a diversified and sustainable economy.
2. Advance the health, safety and social well-being of families and communities.
3. Protect and enhance Washington's cultural and natural heritage.
4. Be a results-oriented, world-class agency whose leadership and vision are valued by its customers.

HUD Statutory Program Goals

CTED's goals are consistent with and support the HUD goals identified in Title 1 of the Housing and Community Development Act of 1974 (as amended):

1. Decent housing
2. A suitable living environment
3. Expanded economic opportunity

Development of Performance Measures

The Council of State Community Development Agencies (COSCDA) of which CTED is a member, is spearheading an effort with several other national organizations of local and state grantees to refine a "Performance Outcome Measurement" system framework. The effort, which is in response to HUD's Community Planning and Development (CPD) Notice 03-09, is expected to lead to a comprehensive approach to the measurement of outcomes for HUD's four major community development formula grant programs: Community Development Block Grants, HOME Investment Partnerships Program, Emergency Shelter Grants, and Housing opportunities for Persons with AIDS. Once complete, the system will include objectives, outcomes and indicators for each type of activity undertaken with funds made available from these

Developing priority areas at the state level presents a challenge because specific needs and market conditions vary from city to city and within the state's 39 counties.

programs. This initiative is scheduled to be finalized in late 2005, with full implementation for 2007. CTED plans to integrate its state-specific performance measures with this national system once it is finalized.

A parallel state performance measurement system is also being developed for implementation in 2006 through the state Government Management, Accountability and Performance (GMAP) initiative. CTED intends that the new performance measures and system of collecting and evaluating performance data will ultimately cover all state and federally funded housing and community development programs administered by CTED. However, the new system will be implemented in incremental stages since we have several existing databases and reporting practices that will need to be examined and modified, as necessary. CTED will ensure that a workable transition plan will be part of the overall effort.

CTED will specifically report on its performance with the use of the 2006 funds from HUD in its 2006 CAPER, which is scheduled to be made available to the public and submitted to HUD in March 2007.

Distribution of Funds to Address Priorities and Objectives

Developing priority areas at the state level presents a challenge because specific needs and market conditions vary from city to city and within the state's 39 counties. The data presented in the Consolidated Plan provides evidence of how the state is geographically and economically diverse. CTED has not identified any low priority activities, since this removes the flexibility at the state level to respond to the particular housing and market needs of local communities.

In the development of the 2005-2009 Consolidated Plan, there was general community support for retaining this flexibility. While priority should be directed to areas of greatest need, the state was encouraged to also have a balanced approach to addressing the continuum of housing and community development needs. The state's programs are in a unique position of having to address a much more widely divergent set of housing needs across the 39 counties in our state. A "one size fits all" priority would restrict the state's ability to support activities that may have a big impact in rural communities or communities with unique needs.

The highest housing priority will be dedicated to very low-income renter and homeowner households (those households earning 50 percent [50%] of median income or less and paying more than 30

percent [30%] of their incomes for housing costs), as well as those people who are homeless.

According to HUD requirements in Title 1 of the Housing and Community Development Act of 1974, as Amended, Section 106(d)(2), the state CDBG Program is to fund only local governments that demonstrate the local prioritization and need for the proposed project. Following this federal intent of the state CDBG Program to address priorities established by the local governments, the CDBG Program ensures funding is targeted to areas of greatest need through the CDBG Program's program priorities and rating criteria described in its Action Plan. ¶

PART II – PROGRAM ACTION PLANS



Cascadia Village
Vancouver, Washington
A HOME Project

Photo Courtesy Housing Division//CTED

PROGRAM ACTION PLANS

2006 HOME Investment Partnership (HOME) Program

The 2006 HOME Program will be designed to address the five-year Strategic Housing Plan overall priorities: very low-income renter and homeowner households earning 50 percent (50%) of median family income or less; transitional or supportive housing projects serving people who are homeless or who have special needs; low-income first-time homebuyers and very low-income first-time homebuyers with a disability. Non-profit organizations, local governments, and Public Housing Authorities (PHA) will be able to apply to CTED for HOME funds.

Allocation of HOME Funds

Tenant-Based Rental Assistance (TBRA).	23%
Home Repair and Rehabilitation Program (HRRP).	25%
Manufactured Housing Homeowner Assistance Program (MHHA).	6%
General Purpose (GP -formerly known as the Rental Housing Preservation and Development program), and an American Dream Downpayment Initiative (ADDI) match.	21%
Community Housing Development Organizations (CHDOs).	15%
Administrative expenses, as appropriate by program.	10%

Geographic Allocation

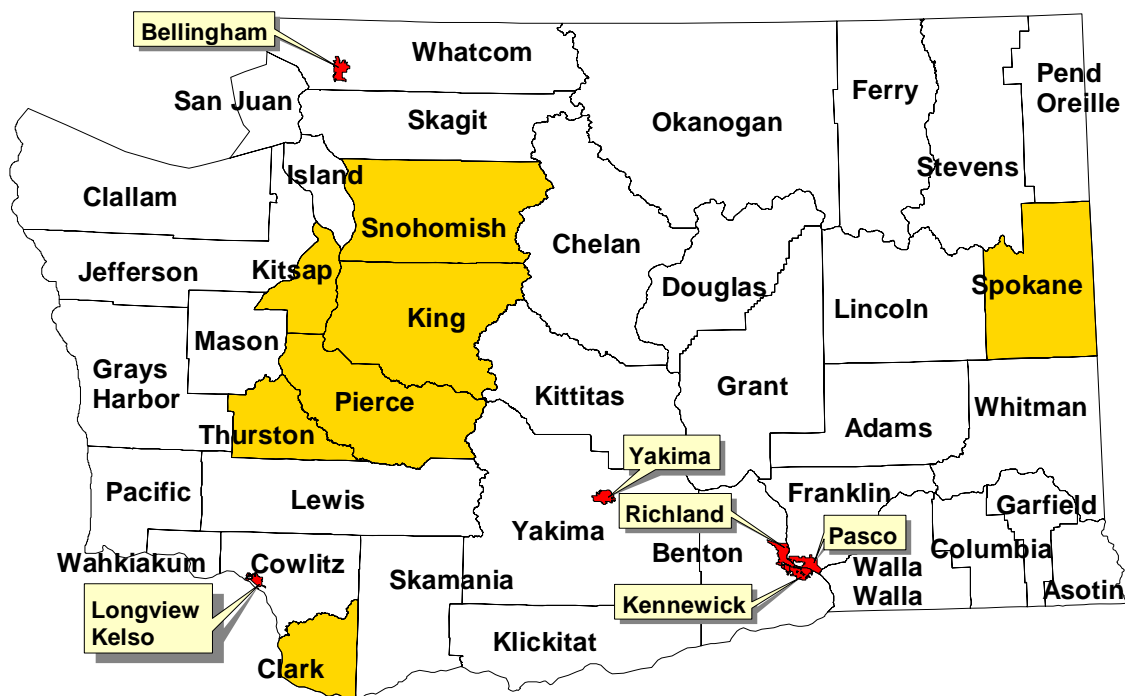
CTED will distribute its HOME funds statewide, with some targeting for specific HOME activities:

- Tenant-Based Rental Assistance (TBRA)- Funds will be targeted to households in areas of the state not served by local HOME participating jurisdictions (PJ) with the exception of funds directed to serve households displaced by Hurricanes Katrina or Rita. Funds will be distributed to service Katrina or Rita evacuees statewide.
- Home Repair and Rehabilitation Program (HRRP) – HRRP funds are allocated on a formula basis to agencies serving non-participating jurisdictions (i.e. jurisdictions not receiving HOME funds directly from HUD). Agencies that include

Participating Jurisdictions (PJ) within only part of their service area are eligible to receive a formula allocation; however, the allocation is based upon the proportion of low-income households located only within the non-PJ portion of their service area and the funds may only be used in the non-PJ area.

- General Purpose (GP) - Funds will be awarded to projects statewide, including those located in local HOME PJ and CDBG entitlement jurisdictions. Such funds will be awarded separately from the state Housing Trust Fund (HTF) awards.
- Manufactured Housing Homeowner Assistance - Funds will be awarded statewide, including those households located in local HOME PJ and CDBG entitlement jurisdictions.
- American Dream Downpayment Initiative - Funds will be awarded statewide, including those households located in local HOME PJ and CDBG entitlement jurisdictions.

Map II-1: HOME Program Participating Jurisdictions (PJs)



There is strong support to maintain the state's flexibility to use HOME resources, or any other state or federal resources, to effectively meet the unique and critical needs of communities across our state.

Priorities

CTED has not identified any low priority activities because it would limit the state's ability to address the particular market conditions of communities within the state. The economic and social conditions among counties and regions can vary widely. We need to be careful of relying on a "one size fits all" approach because what works for a dense, urban county may not work for a rural county in eastern Washington. This is a message that is consistently heard in community meetings. There is strong support to maintaining the state's flexibility to use HOME resources, or any other state or federal resource, to effectively meet the unique and critical needs of communities across our state.

While low priority activities are not identified, information collected during the housing needs assessment process and from the public participation meetings also pointed out the critical needs of extremely low-, very low-income households, special needs populations, and people who are homeless. There was general agreement that more effort was needed to address the needs of people who are homeless and people with special needs (i.e. chronically mentally ill, alcohol or chemically dependent, developmentally disabled, etc.).

To ensure the effective use of limited federal funding, the following priorities are established to guide the use of HOME funds.

Priority #1: Give priority to activities serving very low-income renter and homeowner households earning 50 percent (50%) of median income or less.

- Accordingly all HOME programs prioritize households earning 50 percent (50%) of median income or less.
- Recognizing the needs of low-income renter households who are cost burdened, almost 55 percent (55%) of the HOME allocation is designated to the TBRA and GP programs.
- The balance of available HOME funds are awarded to very low-income homebuyers and existing homeowners, via the HRRP and MHHP programs.

Priority #2: Target HOME GP resources to permanent, transitional and supportive housing projects serving people who are homeless or who have special needs and have incomes at or below 30 percent (30%) of the local area median income.

Priority #3: Target HOME resources to supplement ADDI funds so that low-income special needs households can purchase their first home, as they generally require more than \$10,000 in assistance as allowed by ADDI.

No additional priorities are established for ESG or HOPWA as these programs have modest funding levels and the specific use of these resources has been determined at the local level, which has worked well in the past.

Home Repair and Rehabilitation Program (HRRP)

Activity:

HOME dollars will be used in conjunction with state, private, and federal weatherization and rehabilitation funds to perform:

- Energy efficiency, health, and safety improvements.
- Minor home repair to moderate rehabilitation.
- Substantial rehabilitation.

Eligibility:

- Single-family, owner-occupied dwellings.
- Owners' incomes may not exceed 50 percent (50%) of the median income for their area.
- Property values after rehabilitation may not exceed 95 percent (95%) of the area's median purchase price.

Standards: Upon completion, each project must meet the HRRP Rehabilitation Standards established by CTED, except when an eligible household has an emergent need, such as a broken or leaky water heater, and the service provider:

- Must postpone complete repair and weatherization service to a later date; or
- The client's home has been previously served for energy efficiency and repair and it already meets HRRP Rehabilitation Standards.

Minimum rehabilitation investment will be \$1,000 and maximum will be \$24,999. Occasional substantial rehabilitation may be allowed on a waiver basis. The objective of this program is to coordinate moderate rehabilitation and energy conservation to better meet the needs of low-income households in a cost-effective manner.

HRRP Fund Distribution: Only existing weatherization providers (community action agencies, housing authorities, and local governments) will be eligible to apply for these grants. At least 80 percent (80%) of HRRP funds will be allocated by formula to weatherization providers not located within participating jurisdictions. Any remaining funds may be made available on a competitive basis to all weatherization providers; however, preference will be given to agencies in non-participating jurisdictions.



Angle Lake Court (Senior Housing)
SeaTac, Washington
A HOME Project

Photo Courtesy Housing Division//CTED

Recaptured HRRP Funds: CTED may make any recaptured de-obligated amounts from HRRP contractors available to other contractors as soon as possible after the funds have been returned. There are two criteria for the distribution of recaptured funds: (1) the extent to which the applicant demonstrates an immediate need for housing rehabilitation assistance in their service area, and (2) the extent to which the applicant can demonstrate the ability to use the funds promptly.

Tenant Based Rental Assistance

Activity: The Tenant Based Rental Assistance (TBRA) Program will provide rental assistance to households at 50 percent (50%) or less of median income and to households displaced by hurricanes Katrina or Rita. A priority for funding is homeless individuals and families. Projects serving homeless households will receive bonus points in the competitive funding process. Priority will also be given to hurricane Katrina or Rita evacuees eligible for services as of August 29, 2005. Applicants may propose to serve other populations in need and will be required to provide appropriate needs assessment information.

Eligible Applicants: Eligible applicants are units of local government, public housing authorities and nonprofit community-based organizations. Applicants must have recent experience administering a state or federally funded rental assistance program, or may contract with an experienced organization or technical assistance provider to administer the program. This requirement may be waived for applicants serving hurricane Katrina or Rita evacuees. However CTED will ensure that applicants have the overall organizational capacity to effectively provide services to evacuee households.

Eligible Clients: Eligible clients are individuals or families whose incomes are at or below fifty percent (50%) of the median household income (as determined by HUD) for the county or standard metropolitan statistical area where the program is located. Client eligibility for households displaced by hurricanes Katrina or Rita is governed by Section 403 of the Stafford Act and the HUD memorandum dated September 9, 2005 and titled "Guidance on the use of HOME funds and Waiver of HOME requirements to Facilitate assistance to Persons Displaced by Hurricane Katrina."

Payments: Rental assistance will be provided through an assistance contract between the property owner and the TBRA contractor and a rental lease between the property owner and the assisted client household. Eligibility of costs to assist households displaced by hurricanes Katrina or Rita is effective as of August 29, 2005.

Monitoring: CTED will monitor the progress of the program through data and documentation collected in the monthly vouchering process, periodic program reports, and periodic on-site monitoring visits to each TBRA contractor.

Contract Terms: The term of the rental assistance contract with an eligible client will not exceed 12 months. The contract will begin on the first day of the term of the lease and will terminate on the last day of the lease or September 30, whichever occurs first. All leases must comply with the requirements specified in section 92.253 of the federal rules (24 CFR Part 92).

Rent Reasonableness: TBRA contractors will be required to certify that rents are reasonable before they approve a household's unit for rental assistance according to the Code of Federal Regulations, 24 CFR 882, 106 (b), and Chapter 6-5, HUD handbook 7420.7, Public Housing Agency Administrative Practices Handbook for the Section 8 Existing Program.

Maximum Subsidy Amounts and the Rent Standard: The monthly housing assistance payment paid on behalf of a household may not exceed the difference between the rent standard for the unit size established by the TBRA contractor and 30 percent (30%) of the household's adjusted monthly income. The rent standard may not be less than 80 percent (80%) of the published Fair Market Rent (FMR) for the unit size in the administering agency's area, or more than the FMR for the area. This requirement is waived for households displaced by hurricanes Katrina or Rita. For these households the monthly housing assistance is based on self-certifications of anticipated income and rent standards that are reasonable for comparable unassisted units.

Housing Quality Standards: Housing units occupied by an individual or family receiving rental assistance must comply with the Housing Quality Standards (HQS) performance and acceptability criteria set forth in Section 982.401 including lead-based paint requirements. Each unit must be inspected when a new client household moves in. HQS requirements, except for those addressing lead hazard safety, are waived for units occupied by TBRA tenants who were displaced by Katrina. These units must meet, at a minimum, local health and safety codes within 30 days of occupancy.

Fund Distribution: Funds will be awarded through a competitive application process. Applicants will have the flexibility to design their programs provided they are in compliance with the requirements of the HOME Investment Partnerships Program Final Rule 24 CFR Part 92 and with any priorities and additional



“Titusville Station”
Multi-Service Center of King County
Kent, Washington
A HOME Project

Photo Courtesy Housing Division//CTED

requirements specified by CTED. The funds for Katrina or Rita evacuees will be distributed through a non-competitive process.

Recaptured Funds: Any recaptured funds will be added to the pool of funds distributed through the General Purpose Fund application process.

General Purpose (GP)

Fund Distribution: HOME GP funds will be targeted to the new construction, rehabilitation and/or acquisition of rental housing projects categorized as permanent, transitional and/or supportive housing projects serving people who are homeless or who have special needs. Households receiving HOME GP assistance must be at or below 30 percent (30%) of the local area median income.

- Funds will be distributed beginning in the spring of 2006.
- Evaluation criteria will include: needs of target population; project design and financial feasibility and organizational capacity.
- CTED will work closely with local governments to identify local housing needs and coordinate the targeting of local and CTED resources to address such needs.
- CTED intends to use an RFP process to award GP funds for the development of affordable housing projects.
- HOME GP funds will be used for grants and/or deferred loans, and will be administered directly by the local government, housing authority, or non-profit receiving the funds.
- CTED will be responsible for approval of all project draws through the certification of signed progress reports, building official inspections, or architect certificates of completion.

Recaptured funds: Any General Purpose funds recaptured by CTED will be added to the pool of funds available through the application process noted above.

Minimum requirements:

- Minimum length of commitment will be 40 years, secured by a restrictive covenant.
- All units will meet, at a minimum, HQS, rehabilitation standards (as applicable), Americans with Disabilities Act (ADA) requirements, applicable Section 504 and Fair Housing Act requirements, and all applicable local codes, ordinances, and zoning codes.
- Newly constructed housing will meet Washington State Energy Code, which is more restrictive than the Model Energy Code.
- The amount of HOME funds that may be invested on a per-unit basis may not exceed the per-unit maximum HOME subsidy limits.

Community Housing Development Organizations

Activity: CHDOs will use HOME funds for HOME-eligible housing they develop, sponsor, or own. HOME GP funds will be used to meet the 15% HOME set aside requirement.

Role of CHDOs: Community Housing Development Organizations will play a strong role in the HOME program. Washington State is fortunate to have a significant number of nonprofit housing developers who meet the CHDO requirements, including a network of community action agencies throughout the state. CTED has certified 17 non-profit developers as CHDOs. CTED will continue its solicitation efforts during the 2006 program year.

Affirmative Marketing Procedures

Subsection 92.341 of the HOME regulations requires affirmative marketing of the housing units assisted with HOME funds. CTED will extend this requirement to all rental units assisted, not just developments of five units or more.

As part of the application process for HOME funds, each proposal must describe the methods of affirmative marketing that will be undertaken as part of the HOME-assisted project.

CTED will take the following actions to provide information and otherwise attract eligible persons from all racial, ethnic, and gender groups in housing market areas to housing that is assisted by the HOME program funding.

All correspondence, notices, and advertisements related to HOME funds will contain either the Equal Housing Opportunity logo or slogan.

CTED will require participants in the HOME program to use affirmative fair housing marketing practices in soliciting renters or buyers, determining their eligibility, and concluding all transactions. Any HOME-assisted housing must comply with the following procedures for the duration of the applicable compliance period:

- Project sponsor advertising of vacant units must include the Equal Housing Opportunity logo or statement. Advertising media may include newspapers, radio, television, brochures, leaflets, or may involve simply a sign in a window.
- The project sponsor will be required to solicit applications for vacant units from persons in the housing market who are least likely to apply for HOME-assisted housing without benefit of special outreach efforts, including placing advertisements in minority-specific media.
- The project sponsor must maintain a file containing documentation of all marketing efforts (copies of newspaper

ads, memos of phone calls, copies of letters, etc.). Records to assess the results of these actions must be available for inspection by CTED.

- The project sponsor must maintain a listing of all tenants residing in each unit at the time of application submittal through the end of the compliance period.
- CTED will assess the affirmative marketing efforts of the project sponsor by comparing predetermined occupancy goals (based upon the area from which potential tenants will come) to actual occupancy data that the project sponsor is required to maintain. Outreach efforts on the part of the owner will also be evaluated by reviewing marketing efforts. Corrective action will be required of project sponsors if affirmative marketing requirements are not followed.

Manufactured Housing Homeownership Assistance (MHHA) Program

Activity:

HOME funds will be used in partnership with the state Mobile Home Relocation Assistance program funds to increase safety and improve the quality of manufactured homeownership in Washington. HOME funds will rehabilitate manufactured homes, acquire land for a home site for manufactured homes and replace an existing substandard manufactured home with a new or standard manufactured home.

Eligibility:

- Existing low-income manufactured home owners eligible for Relocation Assistance who are dislocated due to a change in land use.
- Single family, owner-occupied manufactured homes.
- Low-income homeowners being dislocated due to safety and health reasons receive priority.
- After rehab value will not be more than 95 percent (95%) of the median purchase price for the area.
- Homebuyers' willing to ensure the home serves as the primary residence for 5 – 15 years.

Payments:

Individual clients will be referred from the existing Mobile Home Relocation Assistance program.

Administration:

Assistance will be distributed directly to no more than 10 homeowners based upon verified low-income criteria from the relocation assistance program depending upon individual financial need and condition of the home. This will be a pilot project administered in conjunction with the state Mobile Home Relocation Assistance program regulations. CTED staff will manage the

program and establish internal regulations, procedures and public information for distribution to homeowners. HOME funds will be used to fill an existing gap for low-income homeowners who are eligible for relocation costs that do not include home upgrades such as electrical, roof repairs, foundation repairs, etc. In addition, relocation assistance funds may provide down payment assistance but are insufficient to fund site improvements or land purchase.

American Dream Downpayment Initiative (ADDI) Program

Activity: ADDI funds will be used for downpayment assistance towards the purchase of single-family housing for first-time homebuyers. Other eligible activities include rehabilitation that is completed in conjunction with a home purchase assisted with ADDI funds, including the cost of reducing lead paint hazards and remediating other health hazards.

Fund Distribution:

- Initially, up to 50 percent (50%) of the FFY 2006 ADDI funds will be made available competitively through the state Housing Trust Fund (HTF)'s application process. The target population will be households with incomes at or below 50 percent (50%) of median family income who are disabled (including persons with a developmental disability) and who are first-time homebuyers. Organizations eligible to apply are listed in RCW 43.185.060.
 - HTF applications are accepted semi-annually.
 - Elements of each proposal shall include, but not limited to: a description of organizational capacity, any existing homeownership program experience, use of funds and eligible costs, form of financial assistance to the potential homeowner, type of properties and property standards, income eligibility and screening, long-term affordability (including a resale or recapture option that meets all federal requirements), and capacity to ensure compliance with 24 CFR 92.254 and all other federal requirements.
 - The criteria we will use to evaluate projects will cover four basic areas: project need, financial feasibility, organizational capacity and project design.
 - ADDI funds will be used for grants and deferred or amortized loans and will be administered directly by the local government, housing authority or non-profit organization receiving the funds.
- The remaining 50 percent (50%) of FFY 2006 ADDI funds will be awarded to the WSHFC's homeownership program.
 - The funds will be used by the WSHFC to assist first-time homebuyers with incomes at or below 80 percent (80%) of the median household income.



Cascadia Village
By Affordable Community Environments
Vancouver, Washington
A HOME project

Photo Courtesy Housing Division//CTED

- The WSHFC will be required to administer these funds in accordance with 24 CFR 92.254 including choosing a resale or recapture option that meets all federal requirements.
- The amount of ADDI assistance provided to any low-income household cannot:
 - Be less than \$1,000 or
 - Exceed the greater of six percent (6%) of the purchase price of a single family home or \$10,000.
- ADDI funds may be supplemented, dollar for dollar (up to the greater of six percent (6%) of the purchase price or \$10,000 per household), with other HOME funding. Additional HOME funds, not to exceed HOME subsidy limits, may be awarded, on a case-by-case basis, to encourage targeting to extremely low-income, special needs households.

On or after June 30, 2006, any ADDI funds that have not been awarded to a local government, nonprofit organization, housing authority or otherwise eligible project applicant for disabled homebuyers, may be awarded to the WSHFC's homeownership program.

Geographic Allocation: Funds will be awarded to projects statewide, including those located in local HOME PJ and CDBG entitlement jurisdictions.

Targeted Outreach Plan: As a condition of award of ADDI funds, each contractor (including the WSHFC) will be required to develop and implement a plan for conducting targeted outreach to residents and tenants of public and manufactured housing, and to other families assisted by public housing agencies to ensure that ADDI funds can be accessed by such families. Semi-annually, CTED will also provide housing authorities, manufactured housing advocacy groups, the Washington State Coalition for the Homeless and the Washington State Low income Housing Alliance with information on the award of ADDI funds so that impacted communities are made aware of ADDI funds in their local area. CTED's website will contain up-to-date information on ADDI programs that have been funded.

Actions to Maintain Homeownership: As a condition of award of ADDI funds, each contractor will be required to provide homebuyer training and counseling designed to ensure the ability of prospective homebuyers to undertake the purchase of their first home and to maintain their home.

Minority and Women Owned Business Outreach

Title 24 of the Code of Federal Regulations [Subpart H, Subsection 92.351 (b)(5)] requires the encouragement and use of minority and

women-owned business enterprises in the implementation of HOME program activities.

Executive Orders 11625, 12432, and 12138 will provide the basis for the state of Washington's outreach and monitoring efforts to ensure that minority and women-owned enterprises are used to the greatest extent possible to provide services, materials, contractors, and other affiliated professions and occupations associated with all HOME-supported programs.

CTED will require funded applications, by contractual language, to undertake direct affirmative outreach measures to ensure the greatest possible opportunity for minority and women-owned businesses to compete for contracts within each phase of a HOME-funded project. This will include, but not be limited to, realtors, appraisers, lenders, architects, contractors, and property management firms. The current listing of certified minority and women-owned businesses is readily available from the state's Office of Minority and Women's Business Enterprises. This listing will include all project-specific relevant professions and occupations within the geographic region where the project will be implemented.

Examples of bid advertisements and notices will be provided to HOME project sponsors to ensure ease of implementation and consistency of approach in the outreach efforts. Project sponsors will be encouraged to place advertisements in minority- and women-specific media whenever possible.

To maintain statistical data on outreach, use and participation of minority and women-owned businesses as contractors and subcontractors in HOME-assisted projects, sponsors will be required to identify firms contacted, bids received, contracts let, and dollars provided to such firms. Each HOME project sponsor will be provided the format for such reports to ensure consistency and ease of monitoring.

Every HOME contractor will be monitored and evaluated at contract closeout for this information as well as the associated back-up files and documentation. In addition, CTED will reserve the right to conduct on-site inspections and interviews to confirm the use of minority and women workers during the course of project completion.

*Funding (is distributed)
based on poverty and
unemployment statistics,
and provides a base level
of funding to everyone.*

2006 Emergency Shelter Grants Program

Allocation of Funds

The Emergency Shelter Grants Program (ESG) funds will be made available to areas that are not directly allocated ESG funds by HUD. The unit of general local government in which the proposed activities are to be located must certify that it approves the application and the proposed activities must be for eligible activities.

The estimated Federal Fiscal Year 2006 allocation to Washington State will be approximately \$1,358,139. Applications will be solicited from all the eligible areas.

State ESG Eligible Areas

The eligible areas are all cities and counties in the state of Washington that do not receive an ESG allocation directly from HUD. This also includes the cities of Auburn, Bellevue, Everett, Federal Way, Kent, Lakewood, Renton, and Shoreline.

This excludes the City of Seattle, City of Tacoma, City of Spokane, Snohomish County, King County, and Pierce County.

CTED's method of distribution will be modified for the 2006 funding cycle. Our goal is to identify a more strategic level of sustainable revenue for homeless service providers that will ultimately bring into alignment other new resources. CTED and service providers must carefully consider how both state and local funds (Homelessness Housing Assistance Act, Local 2060, State Operating and Maintenance funds, etc.) can strategically support homeless programs in the balance-of-state. To that end, CTED will conduct a competitive application process that will preserve certain priority activities while providing an opportunity for new service providers to access ESG in the balance-of-state pool. New for 2006, CTED will offer contracts to Emergency Shelter Assistance Program (ESAP) lead agencies to serve new eligible jurisdictions.

CTED's top three priorities will be to maintain Operating Assistance and Voucher resources, as much as possible, for current providers who have very limited or no other funding source. CTED will also work to identify State Operating and Maintenance funds in lieu of ESG Operating Assistance for eligible providers because this is a more stable, sustainable source of revenue. Funding requests for Essential Services and Operating Assistance will be reviewed competitively for current and new providers. Applicants will need to explain how and why their funding requests are dependent on ESG resources.

Application Requirements

All applicants must have a Continuum of Care plan in place or have started to develop a plan in order to receive ESG funds. Each applicant will need to submit an application that describes the types of activities that will be undertaken, the agencies who will provide services, and the budget for each participating agency. Each application will need to contain the following information:

- A clear statement of need for the use of allocated funds.
- An explanation of how proposed activities are consistent with the Continuum of Care plan.
- A clear description of activities, a cost-effective budget and a schedule.
- A list of program outcomes for each component or activity.
- The most recent audit for the lead agency contractor.
- Finally, a new component of the application will require that a community's HHAA Advising Committee be made aware of the ESG application to CTED. We feel this is vital to keeping the planning committee informed of a service provider's important plans and work towards ending homelessness.

Eligible Activities

In an effort to integrate the state ESAP and the ESG, the use of ESG funds will be limited to providing operating support and essential services for emergency shelters. Since homelessness prevention services may be provided by ESAP and capital projects may be funded by the state's Housing Trust Fund program, the greatest need for ESG resources has been to provide operating support and services for emergency shelters. Applicants may choose to fund one activity or a combination, depending on the priorities in their local Continuum of Care plan.

Grant Awards

CTED will award grants and make funds available to approved applicant organizations within 65 days of HUD's approval of Washington State's application. Eligible applicant organizations are non-profit organizations, a public housing authorities or local governments serving as an ESG lead agency contractor for the county. As the lead agency, the contractor will pass funds through to participating agencies in the county to provide eligible housing and homeless services. Participating agencies must be non-profit organizations, public housing authorities or local governments.

Recaptured Funds

CTED will make any recaptured amounts available to state ESG-eligible areas as soon as possible after funds have been returned. There are two criteria for the distribution of recaptured funds:

- 1) The extent to which the applicant demonstrates an immediate and critical need for assistance in serving the homeless.
- 2) The extent to which the applicant can demonstrate the ability to use the funds promptly.

Eligible HOPWA project sponsors are non-profit organizations, public housing authorities or local governments.

2006 Housing Opportunities for People with AIDS Program (HOPWA)

Allocation of Funds

Funding will be distributed to Washington State's Regional AIDS Service Networks (AIDSNET) regions based on the number of surviving AIDS cases in each county as reported by the Department of Health. CTED will reserve the right to adjust or redistribute a region's allocation if ineligible activities are proposed, insufficient information is provided in the application, or if an appropriate lead agency is not identified to administer the HOPWA contract in the local area. Counties that already receive HOPWA funds directly from HUD, will not receive any funds from CTED's HOPWA allocation.

AIDSNET Regions

The Department of Health funds and supports HIV prevention services through a system known as AIDSNETs. The AIDSNETs, in cooperation with local health departments/districts and community organizations within the regions provide the following:

- 1) Together with the affected community, develop plans for HIV prevention and care services;
- 2) Provide HIV counseling, testing and partner notification services;
- 3) Conduct disease control activities as required by law;
- 4) Offer HIV prevention education and other interventions, such as needle-exchange programs, especially for those at highest risk of disease; and
- 5) Provide case management services.

While HOPWA funds are distributed by AIDSNET region, the AIDSNET coordinators are not involved in the administration of funds, although they are aware of the program. Instead, a sponsor with experience in housing is chosen in each region to administer the funds. The AIDSNET Coordinators have received information on the program funding allocation process along with information about the lead agency and activities in their region. They provide comments on the activities and administration of the program, as needed.

Recaptured Funds

CTED will make any recaptured funds available to units of local government or non-profit organizations in non-formula areas as soon as possible after the funds have been returned. There are two criteria for the distribution of recaptured funds:

- 1) The extent to which the applicant demonstrates an immediate need for assistance in serving the homeless; and

- 2) The extent to which the applicant can demonstrate the ability to use the funds promptly.

In addition, priority is given to organizations in the region the money is returned from.

Geographic Network

Service providers in each AIDSNET region will be responsible for collaborating in the selection of a lead agency for their region. The lead agency will organize a local process to decide how the regional HOPWA allocation will be used and which project sponsors will be selected to provide services. CTED will contract with the designated lead agency that will be responsible for passing funds through to the local project sponsor. Eligible project sponsors are non-profit organizations, public housing authorities or local governments.

Eligible Activities

Eligible activities will be all those allowable under the HOPWA guidelines, including facilities and community residences, rental assistance, short-term payments to prevent homelessness, technical assistance, supportive services and other activities, subject to the standards and limitations provided in the regulations at Rule 574.300(b).



Grant County/Sentinel Gap Water Association – May 2, 2005

2002 General Purpose Grant for \$420,000 for water system upgrades.

Presentation of “Most Improved Water System” award by Washington State Department of Health.

Steve Washington,
Managing Director
Community Development
Programs/CTED (right)

Photo Courtesy CDBG Program/CTED

2006 Community Development Block Grant Program

Program Mission

The mission of the Community Development Block Grant Program (CDBG) is to improve the economic, social and physical environment of eligible cities and counties in ways that enhance the quality of life for low- and moderate-income (LMI) residents, and as a result, benefit the entire community.

This Action Plan describes the method of distribution for the Community Development Block Grants administered by CDBG Program staff in CTED’s Local Government Division and the CDBG-supported Economic Development Loan Funds administered by Business Finance Unit staff in CTED’s Economic Development Division.

Review Process for Funding

CDBG staff members use three levels of criteria to determine whether or not a grant will be made to a local government for a proposed project. First, staff must determine that the local government is an eligible applicant, that the project is an eligible activity according to the federal statutory requirements that govern the program and that the project meets one of three “national objectives” listed below. Second, staff review the proposed project to determine whether or not it meets the conditions for funding that have been established by state program policy. Based upon experience, these conditions have proven to be indicators of a successful project. Third, staff determine how a project fits the overall program’s priorities as established by rating and review processes that are specific to each of the state’s separate CDBG grant funds. The criteria for each level of review are:

Eligible Applicants

Eligible cities and towns are those with less than 50,000 populations or counties with less than 200,000 population, provided the cities, towns or counties do not participate as members of HUD Urban County Consortia.

Indian tribes and special purpose organizations (such as public housing authorities, port districts, water and sewer districts, community action agencies and economic development councils) are not eligible to apply directly to the CDBG Program for funding. These projects may be eligible under CDBG if:

- A project will serve both an eligible local government’s citizens and tribal members. If the boundaries of a project’s service area involve both the local government and a tribal jurisdiction, the local

Part II

Program Action Plans

- government may apply for state CDBG funding on behalf of and in coordination with the Indian tribe.
- An eligible local government chooses to involve a special purpose organization in the operation of a project funded under the CDBG program.

The following map displays the non-entitlement areas that are eligible for state CDBG funds.

- government may apply for state CDBG funding on behalf of and in coordination with the Indian tribe.
 - An eligible local government chooses to involve a special purpose organization in the operation of a project funded under the CDBG program.
- The following map displays the non-entitlement areas that are eligible for state CDBG funds.

- government may apply for state CDBG funding on behalf of and in coordination with the Indian tribe.
- An eligible local government chooses to involve a special purpose organization in the operation of a project funded under the CDBG program.

The following map displays the non-entitlement areas that are eligible for state CDBG funds.

Map II-2: 2006 CDBG Non-Entitlement Map



2006 CDBG Entitlement/Non-Entitlement Jurisdictions

Non-Entitlement Counties	Entitlement Counties	Entitlement Cities in Non-Entitlement Counties
		<ul style="list-style-type: none"> Anacortes Bellingham Longview Olympia Mount Vernon Tri-Cities Wenatchee Yakima

Eligible Activities

All CDBG-funded projects must be an eligible activity according to Section 105(a) of Title I of the Housing and Community Development Act of 1974, as amended.

Eligible Activities

All CDBG-funded projects must be an eligible activity according to Section 105(a) of Title I of the Housing and Community Development Act of 1974, as amended.

National Objectives

An eligible project must meet at least one of the following three federal (HUD) requirements:

1. Principally benefits persons with low- to moderate-income;
2. Prevents or eliminates slums or blight; or
3. Addresses an urgent community development need, which poses a serious and immediate threat to health and safety.

The CDBG program is designed to principally benefit low- and moderate-income persons by providing grants to cities and counties and will ensure that not less than 70 percent of the CDBG funds received by Washington State during the past three years will be used for activities that benefit persons of low- and moderate-income. Low- and moderate-income is defined as 80 percent of the county median income.

Conditions for Funding

According to program policy, funds are awarded for eligible projects that meet the following conditions:

1. There is a compelling need for public assistance;
2. A feasible technical solution to the problem or opportunity being addressed has been identified and agreed to by affected citizens, the local government and the appropriate regulatory agencies;
3. The project is ready to proceed and will make timely use of the funds;
4. There is a clear and feasible plan for implementing the project and maintaining its operation into the foreseeable future; and
5. There is credible evidence that the results will be commensurate to the amount of public funds requested.

Funding Priorities

In order to be funded, a project must rank high in comparison to other similar projects on a state and local level using the following priorities:

1. The project addresses a public health and safety issue;
2. It improves essential services to low- and moderate-income persons; or
3. It completes a necessary and specific step in a broader community development strategy.

Allocation of Funds

CDBG resources will be distributed to eligible non-entitlement communities through the programs and funds listed in Tables II-4 and II-5. At this printing, the appropriations process for these programs has not been completed. All amounts listed for distribution in this document therefore are based upon estimates of what may be available after Congress acts and may require adjustment based on actual federal budget allocations.

The state's CDBG allocation for 2006 is divided into several funds or programs, each of which uses a different method of distribution:

- The Community Investment Fund distributes resources in support of projects identified through a local prioritization process. Funded projects provide benefits to low- and moderate-income individuals through projects that are also significant on a sub-state, regional or countywide basis in terms of economic diversification and community stability. Project selection is made on a funds available basis, using a collaborative process that includes federal, state and local funding sources. Award decisions require the review and approval of CTED's Resource Team.
- The General Purpose Grant program distributes funds to eligible jurisdictions following an annual statewide competitive application process.
- Housing Enhancement Grants are companion funds to the Housing Trust Fund (HTF) activities that are essential to a project's success, are not eligible for HTF, and fill a financial gap in project funding. Grant decisions and awards are made in coordination with the HTF Program's funding cycle.
- The Housing Rehabilitation Grant program provides non-competitive grants, which are available throughout the year on a fund-available basis.
- The Imminent Threat Grant program aids jurisdictions facing urgent needs with potential impacts on public health and safety that are beyond their ability to address. Grant awards are made on a funds-available basis.
- Planning-Only Grants (POG) are available throughout the year on a funds-available basis to eligible jurisdictions to plan the implementation of priority projects that principally benefit low- and moderate-income persons. Award decisions require the review and approval of CTED's Resource Team.
- Public Services Grants are distributed using a funding formula to eligible counties that in turn rely upon community action agencies as subrecipients for administration and service delivery that benefit low-income individuals.
- Float-Funded Activity Grants (Floats) are made available on a funds-available basis and use CDBG funds allocated to the State CDBG Program, but are not expected to be drawn down for the duration of the Float Loan term. These funds may be used for short-term loans to businesses and/or developers. Funds may also provide short-term financing to eligible jurisdictions for CDBG-eligible activities that meet a HUD National Objective.
- The Rural Washington Loan Fund (RWLF), administered by CTED, provides gap financing loans on a funds-available basis to small businesses, primarily in economically distressed and timber-impacted non-entitlement areas of the state.

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- The Section 108 Loan Guarantee Program is backed by a pledge of CDBG funds. This pledge or guarantee facilitates the applicant's access to other sources of funds for economic development, housing, public facilities and large-scale development projects. The loan guarantee provision is available throughout the program year and is subject to a maximum guarantee limit.

The following table shows how CDBG funds were allocated and obligated and the resulting number of funded projects in 2004 and 2005. Based on these successful outcomes, the historic demand for assistance and the anticipated decrease in the amount of funds available for 2006, the table summarizes how the CDBG Program anticipates allocating its funds in 2006.

Table II-3: Summary of CDBG Funds Allocated and Number of Projects

CDBG Program	2004 Funds Allocated in Action Plan	2004 Funds Awarded & # of Grants	2005 Funds Allocated in Action Plan	2005 Funds Awarded & # of Grants Apply/Award (as of 11/1/05)	2006 Funds Allocated in Action Plan (proposed, based on 8% decrease)
Community Investment Fund	\$4,500,000	\$5,919,200 (12)	\$5,178,030	\$5,137,187 (10/10)	\$4,107,728
General Purpose Grant	\$8,000,000	\$9,578,115 (18)	\$7,500,000	\$7,346,000 (40/13)	\$7,000,000
Housing Enhancement	\$1,185,000	\$624,578 (2)	\$1,000,000	\$526,307 (4/3)	\$800,000
Housing Rehabilitation	\$1,000,000	\$2,517,210 (6)	\$1,500,000	\$1,652,500 (4/4)	\$1,100,000
Imminent Threat	\$400,000	\$46,612 (1)	\$300,000	\$0 0	\$166,000
Planning-Only Grant	\$500,000	\$580,945 (23)	\$600,000	\$555,208 (28/21)	\$500,000
Public Services	\$1,775,000	\$1,916,700 (15)	\$1,766,000	\$1,766,000 (12/12)	\$1,660,720
Sub-Total #	\$17,360,000	\$21,183,360 (77)	\$17,844,030	\$16,983,202 (66)	\$15,334,448
HUD Award	Estimated \$18,000,000	Actual \$18,651,019	Estimated \$18,499,000	Actual \$17,295,437	Estimated \$15,911,802
Less Admin.	(\$460,000)	(\$473,020)	(\$469,980)	(\$445,909)	(\$ 412,236)
Less 1% TA	(\$180,000)	(\$186,510)	(\$ 184,990)	(\$172,954)	(\$ 159,118)
Left for Grants	\$17,360,000	\$17,991,489	\$17,844,030	\$16,676,574	\$15,334,448
Plus Contingency Balance		Begin. 2004 \$5,562,917 End 2004 \$3,912,782		Begin. 2005 \$3,912,782 End 2005 \$3,545,972	Begin. 2006 \$3,500,000
Total Available For Grants		2004 \$23,554,406		2005 \$20,589,356	2006 \$18,834,448
Applications Received		\$40,922,426 (113)		\$ 36,648,537 (98)	

Fund-Specific Program Information

Complete descriptions of each specific program of fund, including application requirements, eligibility guidelines, methods of funding distribution and award processes are provided in this Action Plan. The actual projects to be funded in 2006 will be guided by the eligibility guidelines and selection criteria described in the 2006 application materials for the specific CDBG funds. In addition, information is available in the 2006 Rural Washington Loan Fund (RWLF) Guidelines, the Section 108 Loan Guarantee Guidelines and the CDBG Float-Funded Activity guidelines.

Funding Limits for Specific CDBG Activities

There are four statutory limits on the amount a state can spend for specific eligible activities under the CDBG program. The state is not allowed to use any more than two percent (2%) plus \$100,000 of its total annual award for program administration carried out by state staff in operation of the program, or one percent (1%) of its annual resources for any eligible aspect of technical assistance conducted by state staff. These limits have been in effect since 1982.

In addition, the state is also restricted from using any more than 15 percent (15%) of its annual allocation for public service activities, and 20 percent (20%) for planning activities (including administration carried out by the state). Eligible activities for CDBG public service and planning resources are described below in the Planning-Only Grant and Public Service Grant sections.

CDBG Program Review of Requested Grant Amounts

Grants consisting of more or less than the amount originally requested may be awarded at CTED's discretion based on discussions between CDBG program staff and the jurisdiction. The preliminary notice of project selection does not imply approval of all activities or all costs proposed in the selected application. The grant contract, once negotiated, is the legal document that governs the administration of the grant.

Minimum Performance Standards

CTED reserves the right to deny, review or fund applications that include the involvement of jurisdictions or organizations with serious unresolved audit findings related to performance or capacity.

Further, CTED reserves the right to postpone project contracting or to deny funding if there is a significant problem with previous grantee performance. In such situations, the grantee is responsible for development and initiation of corrective action satisfactory to CTED. Upon request, CTED will provide technical assistance to the community to help ensure timely completion of approved project activities.

Table II-4:

2006 COMMUNITY DEVELOPMENT BLOCK GRANT	ESTIMATED RESOURCES AVAILABLE
DESCRIPTION OF PROPOSED USES	
ADMINISTRATION See page II-22.	\$418,236
TECHNICAL ASSISTANCE (1% of state grant) See page II-22.	\$159,118
COMMUNITY INVESTMENT FUND The amount indicated will be available from the 2006 allocation for new grant awards. Additional monies from the Contingency Fund may be used for priority projects on a funds available basis. See page II-25.	\$ 4,107,728
GENERAL PURPOSE GRANTS The amount indicated will be available from the 2006 allocation for new grant awards. See page II-33.	\$ 7,000,000
HOUSING ENHANCEMENTS GRANTS The amount indicated will be available from the 2006 allocation for new grant awards. Additional monies from the Contingency Fund may be used for priority projects on a funds available basis. See page II-39.	\$ 800,000
HOUSING REHABILITATION GRANT PROGRAM The amount indicated will be available from the 2006 allocation for new grant awards. See page II-42.	\$1,100,000
IMMINENT THREAT GRANTS The amount indicated will be available for new grant awards. See page II-45.	\$ 166,000
PLANNING-ONLY GRANTS The amount indicated will be available from the 2006 allocation for new grant awards. See page II-48.	\$ 500,000
PUBLIC SERVICES GRANTS The amount indicated will be available for new grant awards. See page II-54.	\$ 1,660,720
ESTIMATED TOTAL 2006 CDBG ALLOCATION	\$ 15,334,448

Part II

Program Action Plans

TABLE II-5:

CONTINGENCY FUNDS	ESTIMATED RESOURCES AVAILABLE
DESCRIPTION OF PROPOSED USES	
The Contingency Fund is the accumulation of recaptured/deobligated funds, remaining funds allocated to a grant fund that are unobligated at the end of the program year, and program income. These accumulated funds are carried over to establish the Contingency Fund for the next program year and made available for new grant awards as described in the individual fund sections of this Action Plan and on page II-57.	
ESTIMATED CARRY-OVER CONTINGENCY INTO 2006	\$3,500,000

TABLE II-6:

SECTION 108 LOAN GUARANTEES	ESTIMATED RESOURCES AVAILABLE
DESCRIPTION OF PROPOSED USES	
The State of Washington will pledge its future CDBG resources, up to the amount of the 2006 CDBG Allocation, to secure Section 108 Loan Guarantees for CDBG eligible activities. Although this pledge does not immediately reduce the state's CDBG allocation, future reductions due to payment default may result in the reduction of the state's annual award. Reductions to the state's annual award will be absorbed by the contingency fund. Reductions in excess of the available balance within the contingency fund will be absorbed proportionally by all CDBG programs. Net reductions occurring in program year 2005 totaled \$470,844. See page II-60.	\$17,000,000

TABLE II-7:

RURAL WASHINGTON LOAN FUND	ESTIMATED RESOURCES AVAILABLE
DESCRIPTION OF PROPOSED USES	
The RWLF Program exchanges state appropriated funds with CDBG funds. This exchange of funds does not reduce the state's CDBG allocation. This includes up to \$500,000 of additional resources that will be made available from the state's annual CDBG award if RWLF has exhausted its funds. See II-64.	\$7,200,000**
** Includes \$558,000 set aside in state building fund for potential addition to the CDBG/RWLF lending pool and/or local revolving loan funds.	

TABLE II-8:

CDBG FLOAT-FUNDED ACTIVITIES	MAXIMUM AVAILABLE
DESCRIPTION OF PROPOSED USES	
Float-Funded Activities are fully secured loans made in support of CDBG eligible economic and community development projects. The capital that is made available for Float-Funded Activities comes from unexpended CDBG awards to local governments. See II-68.	\$ 18,000,000



**Benton City Wastewater Treatment
Plant Improvements**

2003 CDBG CIF Grant for \$750,000

Photo Courtesy CDBG Program/CTED

2006 Community Investment Fund Grant

CDBG Community Investment Fund grants provide eligible jurisdictions the opportunity to access funds throughout the year for their priority infrastructure, economic development, community facility or housing projects. Targeted technical assistance will be provided prior to and with each commitment of resources upon request. The commitment of resources will be reserved for high priority projects that are ready to proceed, need grant funding to be feasible and meet either the HUD National Objective of principally benefiting low- and moderate-income persons or the prevention and/or elimination of slums or blight.

Participating in the design and funding of community projects in this way represents a departure from the traditional competitive method of distributing grant funds. To facilitate this approach to project development, technical assistance will be provided to interested communities with high priority projects through a scooping process and on-site visits. The scoping process is to learn more about the project and determine the stage of readiness for the purpose of suggesting possible funding and appropriate technical resources, including the Community Investment Fund.

Any CDBG eligible non-entitlement jurisdiction that is participating in a local county-wide process is eligible to apply for a Community Investment Fund grant. Eligible projects must be ranked as one of the top three unfunded projects on the priority list. The priority process will identify and prioritize through an inclusive countywide selection process. CTED will work with stakeholders to determine a local or regional prioritization system.

Amount of Funds Available

Over \$4.1 million has been set aside for the purpose of making Community Investment Fund grants available to eligible local governments. Additional monies from the Contingency Fund may be used for priority projects on a funds-available basis. Any remaining funds (not obligated) at the end of the program year will be carried to the Contingency Fund for the next program year.

Application Guidelines

Pre-Application Requirements

- A Community Investment Fund grant pre-application is available upon request and may be submitted for review at any time.
- The project must be ranked within the top three unfounded projects on a county's list of priority projects.

- Any funded Community Investment Fund project must meet a HUD National Objective of principally benefiting low- and moderate-income persons or the prevention and/or elimination of slums or blight. “Principal benefit” is defined as at least a 51 percent of a projects’ overall benefit will be to low- and moderate-income persons.

Application Requirements

- A Community Investment Fund applicant must meet the CDBG federal requirements for citizen participation and comply with the required federal and state certifications.
- The jurisdiction will receive Community Investment Fund application materials with its invitation to apply from the CDBG program. The jurisdiction must submit an application that meets all application elements within 90 days of the invitation to apply. To be considered for funding from the current program year, the application must be received by December 31st of that program year.
- To be funded, a Community Investment Fund application must document principal benefit to low- and moderate-income persons or prevention/elimination of slums or blight. “Principal benefit” is defined as at least a 51 percent (51%) of a project’s overall benefit will be to low- and moderate-income persons.

Prevention/Elimination of Slums or Blight National Objective

Criteria for Activities Carried out in a Slum/Blight Area

- Area must meet the definition of slum or blighted area under state/local law;
- Substantial number of deteriorated or deteriorating buildings or public improvements throughout the area;
- Activity must address conditions contributing to deterioration; and
- Documentation is kept of boundaries of the area and conditions that qualified the area at the time of designation.

Criteria for qualifying activity as meeting Spot Slum/Blight Designation

- Activities must address specific conditions of blight and/or physical decay not in a slum/blight area;
- Activities are limited to acquisition, clearance, relocation, historic preservation and building rehabilitation;
- Rehabilitation must be limited to the elimination of conditions detrimental to public health and safety;

Public facilities, economic development, housing and community facility activities are eligible for CDBG Community Investment Fund grants.

- Any subsequent use of the property after acquisition or clearance must be considered to be a “change of use” under 24 CFR 570.489(j).

Eligible Activities

A variety of public facilities, economic development, housing and community facility activities are eligible for CDBG Community Investment Fund grants. A complete listing of eligible and ineligible activities can be found in Section 105(a) of Title I of the Housing and Community Development Act of 1974, as amended, and 24 CFR 570.201.

The following two approaches to the use of Community Investment Funds under special circumstances may now be employed:

1. Special Activities by Community-Based Development Organizations, and
2. Community Revitalization Strategy process.

Special Activities by Community-Based Development Organizations

A jurisdiction may provide CDBG funds under a subrecipient agreement to a Community-Based Development Organization (CDBO) to carry out a neighborhood revitalization, community economic development, or energy conservation project as set forth in 24 CFR 570.204. To be considered an eligible CDBO, a jurisdiction must meet the criteria as set forth under 24 CFR 570.204(c). Please contact CDBG staff for a copy of the regulation.

Community Revitalization Strategy Process

The CDBG program has adopted the Community Revitalization Strategy (CRS) approach to the use of state CDBG resources by units of general local non-entitlement government. The Strategy Area concept represents a targeted approach to community development, requiring some critical mass of population density in order to be effective.

The CRS approach will be applicable to both the existing CDBG General Purpose Grant program and the CDBG Community Investment Fund grant program. There will be no change to the CDBG rating and selection criteria. The Strategy must be approved by the state CDBG program and will become a component of the threshold review process.

The CRS approach will allow the state CDBG program to address disinvestments within a defined area that meets specific criteria. This area may be within a jurisdiction that has a low- and moderate-income population of less than 51 percent (51%) . Currently such a jurisdiction would be unable to access CDBG fund for an area benefit project that would benefit the entire jurisdiction, such as city-wide water or sewer system

improvements, even when the target area (within the jurisdiction) is over 51 percent low- and moderate-income.

The regulations that authorize the CRS process are as follows:

- 24 CFR 570.483(e)(5)(i) “Activities undertaken pursuant to the strategy for the purpose of creating or retaining jobs may, at the options of the grantee, be considered to meet the requirements of paragraph (b) of this section under the criteria at Sec. 570.483(b)(1)(v).”
- 24 CFR 570.483(b)(1)(v) “HUD will consider activities meeting the requirements of paragraph (e)(5)(i) of this section to qualify under paragraph (b)(1) of this section, provided that the area covered by the strategy meets one of the following criteria:
 1. The area is in a federally-designated Empowerment Zone or Enterprise Community; or
 2. The area is primarily residential and contains a percentage of LMI residents that is no less than 70 percent (70%); or
 3. All of the census tracts/block numbering areas in the area have at least a 20 percent poverty rate, and at least 90 percent of them have at least a 25 percent poverty rate and the area is primarily residential.”
- 24 CFR 570.483(b)(1) “Area benefit activities.” Criteria for meeting HUD’s National Objective.

For a unit of general local government (jurisdiction) to implement the CRS approach, the following process may be used as an implementation guide:

- The target area must meet one of the three criteria under 24 CFR 570.483(b)(1)(v), as noted above:
- Once it is verified that one of the criteria has been met, the jurisdiction would prepare the required CRS;
- The completion of the CRS is an eligible activity and may be funded through the state’s CDBG Planning-Only Grant program. In addition, it is encouraged that the target area strategy be linked to existing planning initiatives to avoid duplication of effort at the local level. The following is a list of common documents/initiatives to which a CRS might be linked:
 - Local strategic or comprehensive plans, including plans in compliance with the Growth Management Act;
 - “Certified Economic Development Readiness” designations;
 - State Enterprise Zone designations;
 - State welfare reform and welfare-to-work programs;
 - Economic diversification initiatives in areas dominated by declining industries;
 - Main Street programs;
 - State-funded housing rehabilitation or housing development programs; and
 - State energy programs.

Essential components of a CRS must include but are not limited to the following:

- A local strategy must identify the boundaries of the target area for which the strategy applies;
- The strategy target area must meet one of the following criteria:
- The area is in a federally-designated Empowerment Zone or Enterprise Community; or
 - The area is primarily residential and contains a percentage of LMI residents that is no less than 70 percent; or
 - All of the census tracts/block numbering areas in the area have at least a 20 percent poverty rate, and at least 90 percent of them have at least a 25 percent poverty rate; and the area is primarily residential.”
- The state CDBG program recognizes the importance of a flexible, long-term approach to revitalizing a target area. The Community Investment Fund grant program is available throughout the year on a funds-available basis and is best suited to providing longer-term funding of targeted revitalization activities.
- The integration of other funding sources into the CRS approach, such as participation and funding from:
 - USDA Rural Development;
 - Private foundations;
 - CTED’s Housing Division;
 - Housing Authorities;
 - Community Action Programs;
 - Religious organizations;
 - Economic Development Organizations;
 - Main Street Programs; and
 - Local governments.
- The bringing together of community and target area stakeholders to forge partnerships that:
 - Obtain commitments from community organizations to participate actively in the long-term revitalization initiative;
 - Make communities attractive for investments, thereby creating employment opportunities and the creation of profits;
 - Generate community participation at least equal to the CDBG program’s Citizen Participation Requirements to ensure that the benefits of economic activity are reinvested in the community for long-term development;
 - Support the involvement of nonprofit intermediary institutions;
 - Foster the growth of resident-based initiatives to identify and address their housing, economic and human services needs;
 - Provide capacity to coordinate the delivery of various local, state and federal resources; and
 - Support initiatives to move unemployed people from public assistance into jobs.

- The assurance that local strategies include an assessment of the economic conditions of the area; an examination of the opportunities for economic development improvement; and an assessment of the problems likely to be encountered.
- The assurance that local strategies contain a realistic development strategy and implementation plan to promote the area's economic progress, focusing on activities to create meaningful jobs for the unemployed and low- and moderate-income residents of the area as well as activities to promote the substantial revitalization of the area.
- The state will utilize the following two existing methods of grant evaluation and performance measurement to document measurable accomplishments:
 - The required final public hearing that occurs at the end of the contract period; and
 - The utilization of HUD's Integrated Disbursement and Information System (IDIS).

For a specified target area, the Washington State CDBG program has the option of requesting an exception to the 70 percent (70%) low- and moderate-income threshold or the 25 percent (25%) poverty rate threshold. Any exception would require both state and HUD field office review and approval. Exceptions are envisioned to be granted only for unusual circumstances, where strong targeting of benefits to low- and moderate-income residents can still be shown.

Ineligible Activities

As a general rule, activities that are not specifically identified as eligible in Section 105(a) of Title I of the Housing and Community Development Act of 1974 are considered to be ineligible. In addition, CDBG funds may not be used for general conduct of government business: to pay for lobbying activities, to purchase equipment, or to purchase, construct or improve buildings used for the general conduct of government.

Method of Funding Distribution

The selection process for Community Investment Fund proposals consists of several stages, including pre-application submittal; preliminary scoping and, if necessary, on-site meetings with the prospective applicant; invitation to submit an application; threshold review; project evaluation and grant award.

Pre-Application Submittal

- Pre-Applications may be submitted at any time.
- Pre-Applications will be reviewed on a first come, first served basis.

Preliminary Scoping

A staff person will be assigned to conduct a preliminary review of the proposed project. During this period, the project will be reviewed, inspection made if necessary, and a preliminary assessment of the project's readiness to proceed and CDBG eligibility will be made. A project is "ready" when it has a well-defined scope, reliable budget, strong community support and no problems that would prevent implementation soon after funds are committed.

CTED Resource Team

The CTED Resource Team will review all potentially fundable projects. A Discovery Form summarizing the project, priority ranking on the county's priority list, key contact, amount of funding needed and secured funding from other sources accompanies each project considered by the Resource Team. When presented to the Resource Team, a decision is made as to the type of assistance to offer, including additional technical assistance or partial or full funding of the project as proposed.

Invitation to Apply

When the Resource Team recommends a project for funding, the CDBG program sends a letter inviting the jurisdiction to complete and submit a final Community Investment Fund application. The jurisdiction will receive the Community Investment Fund Application Handbook with its invitation to apply. The jurisdiction must submit an application that meets all application elements within 60 days of the invitation to apply.

Threshold Review

- The application must document the project will meet a HUD National Objective of principal benefit to low- and moderate-income persons and/or the prevention/elimination of slum or blight.
- The applicant must meet the CDBG federal requirements for citizen participation and comply with the required federal and state certifications.
- The project proposed for funding must be an eligible activity, as outlined in this Action Plan.

Application Elements

Applications will consist of the jurisdiction's responses to the rating and selection questions used for the General Purpose Grant program application. The applicant must also submit all required CDBG forms and certifications. The basis for which points are awarded will differ for each eligible program area (housing, economic development, public facilities, community facilities, and comprehensive). The evaluation criteria that will be used for each program area is listed within the 2006 General Purpose Application Handbook. Applicants must receive a score of 65 points or greater to be eligible for funding. The criteria

used to rate Community Investment Fund applications is identical to the General Purpose rating criteria listed in this Action Plan.

Project Evaluation

Final Community Investment Fund applications will only be reviewed if the jurisdiction was invited to apply. All Community Investment Fund projects are reviewed on a first come first served basis. However, pending applications will be funded based upon relative need and as funds are available. Critical elements of the project evaluation process includes a determination that:

- The project is ready to be fully implemented;
- The project principally benefits low- and moderate-income persons and/or meets the HUD National Objective of prevention/elimination of slums or blight;
- The application meets the program's high score standard of 65 out of 100 points; and
- The project must be ranked within the top three unfunded projects on a county's list of priority projects.

Relationship Between Community Investment Fund and Other CDBG Funds

An eligible jurisdiction can apply for more than one type of CDBG funding within the same year. However, a jurisdiction cannot apply for more than one Community Investment Fund grant per program year. Also, a jurisdiction is not allowed to receive both a Community Investment Fund grant and a General Purpose grant for the same project. To be considered for funding from the current program year, the jurisdiction must be invited to apply and the full application must be received by December 31st of that program year.



Migrant Head Start Learning Center
Wapato, Washington

2003 CDBG General Purpose Grant
for \$750,000 to the City of Wapato

Photo Courtesy CDBG Program/CTED

2006 CDBG General Purpose Grants

General Purpose grants are generally made available annually, on a competitive basis, to assist eligible cities, towns and counties in carrying out significant housing, economic development, community facilities, public facilities and comprehensive projects that principally benefit low- and moderate-income persons.

General Purpose grant applications will be evaluated on their compelling need for public assistance; feasible technical solution to the problem or opportunity identified and agreed to by affected citizens, the local government and the appropriate regulatory agencies; clear and feasible plan for implementing the project and maintaining its operation into the foreseeable future; and, credible evidence that the results will be commensurate to the amount of public funds requested.

Amount of Funds Available

Approximately \$7,000,000 of funding is available during 2006 for General Purpose grants. The Contingency Fund may also be used for priority projects on a funds available basis.

The maximum grant for General Purpose grant applications is \$1,000,000. An applicant's request for the maximum amount of \$1,000,000 must be well justified and will be thoroughly evaluated during the rating and selection process.

Application Guidelines

Applications must be submitted on or before November 17, 2005. An application is considered submitted if it is postmarked or hand-delivered on this date and contains all the elements necessary to pass threshold review. Applications postmarked or hand-delivered after this date will not be accepted. A list of applicants to receive 2006 General Purpose grants will be published in the spring of 2006.

Application Requirements

- Each eligible jurisdiction may submit one General Purpose grant application requesting up to \$1,000,000 in grant funds during the 2006 General Purpose Grant funding competition.
- An applicant may request funds for a project in any one of five program areas: housing, economic development, community facilities, public facilities and comprehensive. Each applicant must demonstrate that at least 51 percent (51%) of the beneficiaries of each proposed activity in the application are low- and moderate-income persons.
- Applications including a combination of related activities in one or more program areas are considered to be comprehensive. These projects are broader in scope or concept than projects principally

addressing a single need or program area. The activities must be related and coordinated to achieve more results than would be possible when singly addressed.

- Detailed instructions and requirements for developing a General Purpose Grant proposal and application will be provided in the 2006 General Purpose Grant Application Handbook.

Eligible Activities

A variety of housing, community facilities, public facilities, public service, planning and economic development activities are eligible for CDBG General Purpose Grant funding. A complete listing of eligible and ineligible activities can be found in Section 105(a) of Title I of the Housing and Community Development Act of 1974, as amended, and 24 CFR Part 570.201.

Two approaches to the use of General Purpose Grant funds under special circumstances may now be employed: Special Activities by Community-Based Development Organizations and Community Revitalization Strategy Process. The requirements of these two approaches are provided in detail within the Community Investment Fund section of this Action Plan.

Ineligible Activities

As a general rule, activities that are not specifically identified as eligible in Section 105(a) of Title I of the Housing and Community Development Act of 1974, as amended, and 24 CFR Part 570.201 are considered to be ineligible. Prospective applicants are encouraged to consult with CDBG program staff if they have questions concerning the eligibility of proposed activities.

Method of Funding Distribution

The selection process for new General Purpose Grant proposals consists of three stages:

- Threshold review;
- Rating and selection; and
- Announcing recipients.

Threshold Review

Threshold review is conducted to ensure that the application is complete and timely, administrative plans and assurances of compliance with applicable state and federal laws and requirements are included, and all required statements and certifications are adequate.

No points are awarded during this stage. Applications that fail to meet minimum threshold requirements will not advance to the rating and selection stage. Incomplete applications that meet the minimum threshold requirements will be rated based on the application received.

Part II Program Action Plans

When conducting the threshold review, CDBG program staff may contact the applicant to resolve threshold issues; however, new information will not be requested or accepted after the application deadline.

As part of the threshold review, each application will be screened to ensure that the appropriate maximum average CDBG investment per benefited household is not exceeded. The average CDBG investment per household benefiting must be equal to or less than the following:

Project Category	Maximum Average CDBG Investment Per Household
Community Facilities	\$10,000
Public Facilities	\$10,000
Economic Development	\$10,000/job
Housing	\$25,000 *
Comprehensive	Above amounts as applicable

*Up to \$35,000 per unit for projects that include lead-based paint mitigation activities.

Rating and Selection

Applications will be evaluated and scored by review teams in five separate groups corresponding with the five primary program areas of housing, economic development, community facilities, public facilities and comprehensive. When applications containing unrelated activities in one or more program areas are received, the activities will be rated separately by program area. In this situation, the application's total score will be the average sum of the proportionally weighted points awarded to each program area. Applications that include a combination of related activities in one or more program areas coordinated to achieve greater results than possible if addressed singly, are considered comprehensive and will be rated in that program area. CTED may consult with informed third parties including local, state and federal agencies and may make site visits to assist in the rating and selection process.

Applications receiving scores of at least 65 points will be awarded funding in rank order. Remaining funds, if any, will be transferred to the Contingency Fund for distribution. Applications will be evaluated and assigned points based on the following:

	Maximum Possible Score	% Total
Need Statement	25 points	25%
Capacity Statement	25 points	25%
Readiness Statement	25 points	25%
Results Statement	25 points	25%
Total Maximum Score	100 points	100%

All applications will include the same elements: however, the basis by which points are awarded for each criterion will be different for each program area (i.e., housing, economic development, community facilities, public facilities and comprehensive). Applications will be evaluated based on the criteria identified in the following sections. The scores derived for each rating criterion are determined by evaluating the information provided by applicants that address similar activities. A final ranked list is established by evaluating the level of public benefit to be achieved by each project. The ultimate goal of the General Purpose Grant rating and selection process is to select projects that are most likely to provide the highest possible return for the public funds invested, as determined by the public benefit to be achieved.

Need Statement Rating Criteria (25 points – maximum score)

The “NEED” statement will be evaluated on a competitive basis against other projects, based on:

- The clarity of the need - including whether it is substantiated with data and documentation, and the credibility of the documentation.
- A comparison of the relative hardship and the frequency of the identified need.
- Number and economic status of individuals affected by the need, including both the impact on the community at large and the impact on low- and moderate-income persons in particular.
- The level of urgency to address the need – including whether it has been ordered as part of a mandated corrective action.
- Estimation of what would happen if nothing were done.

Capacity Statement Rating Criteria (25 points – maximum score)

The “CAPACITY” statement will be evaluated on a competitive basis against other projects, based on:

- Whether or not the jurisdiction (and participating subrecipient if applicable) has the organizational/financial capacity and authority to address the need on its own.
- Financial need – including whether the community is sufficiently contributing towards the project (given its capacity in terms of revenues, debt capacity, potential user fees, staff resources, leveraged funds, etc.).
- Past efforts and/or attempts to address the need.
- Capacity of the jurisdiction (or responsible subrecipient) to operate and manage the project into the foreseeable future.

Readiness Statement Rating Criteria (25 points – maximum score)

The “READINESS” statement will be evaluated on a competitive basis against other projects, based on:

- Degree to which the proposed project is consistent with past planning efforts, or if not, the clear reason why.
- Certainty that the project as proposed is technically feasible, cost effective and the most appropriate alternative.
- Whether or not the necessary relationships between the organizations needed to make the project work in the long-term are clearly established and appropriate.
- Documentation demonstrating strong agreement among all interested and affected parties that the project as proposed is necessary and appropriate.
- Extent to which all necessary financial and non-financial project participants are firmly committed and involved at the point of application.
- Evidence that the time between contract award and the point at which the public benefits will begin is minimal.
- Thoroughness and reasonableness of the Budget Assumptions and Budget Form.
- Completeness of the Work Plan narrative and Work Plan Form.

Results Statement Rating Criteria (25 points – maximum score)

The “RESULTS” statement will be evaluated on a competitive basis against other projects, based on:

- Degree of certainty that the project will have the desired impact and will address the need in the way and to the level it was intended.
- Benefit of the project to persons and households that are both above and below the low- and moderate-income level within the intended service area.
- Methods that will be used to measure results and how this information will be used and reported.
- Return on Investment - Degree of certainty that the project will produce outputs* and outcomes** that are commensurate with the amount of public resources provided and secured.

*Outputs = Things that you can count (quantity). For example, the number of people to be served by a project.

**Outcomes = How people will benefit from the project (quality). For example, what difference will the project make in an individual's life?

An eligible jurisdiction can apply for more than one type of CDBG funding within the same year.

Announcing Recipients

When the rating process is complete, funding recommendations will be made to CTED management for those most highly ranked projects up to the total amount of funds available for 2006 General Purpose Grants. Applications must receive a score of 65 points or greater to be eligible for a grant award. After receiving management approval, legislators will be notified and all applicant communities will receive written notice of rating process results. Technical assistance will be available to all unfunded applicants.

2006 General Purpose Grant recipients will be announced in mid-March 2006. Funds will be available as soon as contracting and the environmental review requirements are complete.

Delays in completing the execution of a final contract of ninety days or more from the date of the award letter, due to the projects' readiness to proceed, may lead to the rescission of the award and an invitation to apply during the next CDBG General Purpose Grant application cycle.

Relationship between General Purpose Grants and Other CDBG Funds

An eligible jurisdiction can apply for more than one type of CDBG funding within the same year. However, a jurisdiction cannot apply for more than one General Purpose Grant per program year. Also, a jurisdiction is not allowed to receive both a Community Investment Fund grant or Housing Enhancement Grant *and* a General Purpose Grant for the same project.

The purpose of the CDBG Housing Enhancement Grant program is to streamline the financing of eligible housing projects with the Housing Trust Fund.

2006 CDBG Housing Enhancement Grants

CDBG Housing Enhancement Grants are made available to provide flexible companion funding for competitive applications to CTED's Housing Trust Fund. The purpose of the Housing Enhancement Grant program is to streamline the financing of eligible housing projects with the Housing Trust Fund and to prevent the need to wait for the annual General Purpose Grant funding cycle to receive CDBG assistance. In 2006, staff of the CDBG program and the Housing Division of CTED will continue to improve the coordination between their funding programs to enhance the efficiency and effectiveness of these resources that both seek to address affordable housing issues.

CDBG program funds will be available for those projects located in eligible jurisdictions, and when the local jurisdiction agrees to support the project.

Amount of Funds Available

A fund of up to \$800,000 will be set aside for the purpose of making Housing Enhancement grants in coordination with companion Housing Trust Fund applications that are awarded funds. Additional monies from the Contingency Fund may be used for priority projects on a funds available basis.

Application Guidelines

Application Deadline

CDBG Housing Enhancement grants are made in concert with the Housing Trust Fund application processes. Announcements of CDBG funding reservations will be announced in coordination with Housing Trust Fund processes.

Application Requirements

Housing Enhancement applications should address the following areas for review:

- Funding gap analysis that identifies within the Housing Trust Fund companion application, the need for CDBG funds and explains why other sources are not available to fill the identified gap.
- Certifications by the eligible applicant jurisdiction demonstrating completion of federal citizen participation and disclosure requirements.

Eligible Activities

CDBG Housing Enhancement funds are available to cover project costs that cannot be paid for using Housing Trust Fund dollars, but are essential to the project's overall success. Examples of eligible costs include off-site infrastructure that is essential to a housing project and is considered an ineligible cost to the Housing Trust Fund. Housing Enhancement funds can also be used to pay for the non-housing costs of projects that are an integral part of a comprehensive project. An example would include the costs of a day care facility that has been incorporated into the design of a project that is requesting Housing Trust Fund support.

A complete listing of eligible activities can be found in Section 105(a) of Title I of the Housing and Community Development Act of 1974, as amended.

Ineligible Activities

In general, any activity not described in the reference above, or any activity that does not benefit low-income persons, is ineligible for consideration. In addition, CDBG Housing Enhancement Grants may not be used to fund:

- New housing construction (including service connections).
- Costs of equipment.
- Furnishings.
- Personal property not an integral structural fixture, such as window air conditioners, washers or dryers.
- Installation of luxury items, such as swimming pools.

Method of Funding Distribution

The selection process for CDBG Housing Enhancement grant applications consists of two stages: (1) Companion funding sources' evaluation; and (2) CDBG evaluation.

Companion Funding Source Evaluation

Applications will first be reviewed using the applicable guidelines.

- Applications must be approved for funding by the Housing Finance Unit.
- Jurisdictions applying for Housing Enhancement Funds must meet federal citizen participation and disclosure requirements.

CDBG Evaluation

When applications to the companion funding sources have been evaluated and are ready for funding, they will be reviewed to determine if CDBG program funds can be appropriately used in the project. Projects located in eligible jurisdictions will be funded when CDBG funding is available and appropriate.



**Library/Learning Center
Town of Mattawa**

A 2001 CDBG Housing Enhancement Grant for \$450,000 for nine farmworker housing residences, the Library/Learning Center and infrastructure improvements.

Photo Courtesy CDBG Program/CTED

Consideration will be given to funded projects having the following characteristics:

- Project is in an eligible city or county;
- CDBG funds will fill a financing gap;
- CDBG funds cover costs that cannot be paid for by other funding sources; and
- The amount required does not exceed the amount of CDBG funds available.

When a project is identified for consideration, program staff will notify the funding agency, housing developer and the local jurisdiction.

Eligible jurisdictions will then be informed of the potential grant offer and given an opportunity to participate with the applicant in the project by:

- Meeting the federal citizen participation requirements, including conducting a public hearing;
- Agreeing to comply with the required federal and state certifications; and
- Agreeing to be responsible for the CDBG portion of the project.

Relationship between Housing Enhancement Grants and Other CDBG Funds

An eligible jurisdiction can apply for more than one type of CDBG funding within the same year. However, a jurisdiction cannot apply for more than one Housing Enhancement Grant per program year. Also, a jurisdiction is not allowed to receive both a Housing Enhancement grant and a General Purpose or Community Investment Fund grant for the same project. To be considered for funding from the current program year, the jurisdiction must submit the application's signed Project Summary Form by December 31st of that program year.



Owner-Occupied Housing Rehabilitation Project
Wapato, Washington

A CDBG 2004 General Purpose Grant (for Housing Rehabilitation program) for \$500,000 to rehabilitate 22 low-income owner-occupied housing units, benefiting 91 persons.

Photo courtesy CDBG Program/CTED

2006 CDBG Housing Rehabilitation Grants

Program Purpose

The purpose of the Housing Rehabilitation Grant Program (HRGP) is to provide housing rehabilitation set-aside funds in support of housing rehabilitation activities that improve and maintain the existing housing stock of eligible non-entitlement communities. In 2006, the CDBG Program and Housing Division of CTED will continue to improve the coordination between their funding programs to enhance the efficiency and effectiveness of these resources that both seek to address affordable housing issues.

Amount of Funds Available

A fund of up to \$1,100,000 will be set aside for the purpose of funding CDBG Housing Rehabilitation Grant projects. The Contingency Fund may also be used for priority projects on a funds-available basis.

HRGP grants are limited to \$500,000 per request. The amount requested must not exceed the maximum average CDBG investment of \$25,000 per household benefited or \$35,000 per household for houses requiring lead-based paint mitigation. CDBG staff may approve a higher maximum average if mitigating factors to support the need for a higher maximum average meet the requirements identified in the CDBG Housing Rehabilitation Application Handbook.

Application Guidelines

- Housing Rehabilitation Grant Program applications will be accepted throughout the year on a first come first served basis.
- Each eligible jurisdiction may receive one CDBG-funded HRGP grant per program year.
- Eligible jurisdictions can apply for funds from the HRGP and all other CDBG programs within the same program year.
- HRGP applications will be coordinated with partner housing rehabilitation programs in CTED, in order to create an integrated and coordinated one-stop housing preservation program for housing that pools HOME, HTF and CDBG funds for: emergency, minor and moderate repair, substantial rehab, energy efficiency and health and safety improvements.

Eligible Activities

Housing Rehabilitation Grant program applications must be for local housing rehabilitation projects for single-family or multi-family housing rehabilitation only, that are part of a city or county housing rehabilitation program. The funds may be used for:

- Substantial housing rehabilitation.
- Minor home repairs and weatherization.
- Health, safety and emergency repairs.

- Lead-based repairs and mitigation.
- Direct administration costs to administer the housing rehabilitation program.

Ineligible Activities

In general, any activity not described in the reference above, or any activity that does not benefit low-income persons, is ineligible for consideration. In addition, grants may not be used to fund:

- New housing construction (including service connections).
- Costs of equipment (with some exceptions).
- Furnishings.
- Personal property not an integral structural fixture such as window air conditioners, washers or dryers.
- Installation of luxury items, such as swimming pools.

Method of Funding Distribution

The selection process for Housing Rehabilitation Grants consists of the application review, threshold review and project evaluation.

Application Submittal

- Applications may be submitted at any time, with funding available once the CDBG Program receives its 2006 HUD award.
- Applications will be received on a first come first served basis.
- Projects must principally benefit low- and moderate-income households.

Application Review

A review of the application will be conducted. During this period, the project will be reviewed, inspection made if necessary and a preliminary assessment of the project's readiness to proceed and CDBG eligibility will be made. A project is "ready" when it has a well-defined scope, reliable budget, established program procedures, strong community support and no problems that would prevent implementation soon after funds are committed. Housing Rehabilitation Grant applications will be reviewed to determine if CDBG funds will be appropriately used in the project.

After the review, a decision is made as to the type of assistance to provide, including additional technical assistance or partial or full funding of the project.

Threshold Review

- The application must document the project will meet a HUD National Objective or principal benefit to low- and moderate-income households.
- The applicant must meet the CDBG federal requirements for citizen participation and comply with the required federal and state certifications.
- The proposed project must be an eligible activity, as outlined in this Action Plan.

Application Elements

Applications will consist of the jurisdiction's responses to the rating and selection questions in the Housing Rehabilitation Grant Application Handbook. The applicant must also submit all required CDBG forms and certifications. The evaluation criteria that will be used for housing rehabilitation projects is the same as those criteria listed for the General Purpose grant and are also listed within the 2006 Housing Rehabilitation Grant Application Handbook.

Project Evaluation

All applications are reviewed on a first come first served basis. However, pending applications will be funded based upon relative need and as funds are available. Critical elements of the project evaluation process include the determination that:

- The project is ready to be fully implemented;
- The project principally benefits low- and moderate-income persons; and
- The application meets the program's high-score standard of 65 out of 100 points.

Relationship Between Housing Rehabilitation Grants and Other CDBG Funds

An eligible jurisdiction can apply for more than one type of CDBG funding within the same year. However, a jurisdiction cannot apply for more than one Housing Rehabilitation Grant per program year. To be considered for funding from the current program year, the full application must be received by December 31st of that program year.

Imminent Threat grants provide an interim solution to problems of an urgent nature that have the potential for impacting public health and safety.

2006 CDBG Imminent Threat Grants

Imminent Threat grants are meant to provide an interim solution to problems of an urgent nature and that have a potential for impacting public health and safety in ways that cannot be effectively addressed through the General Purpose grant application process. Applicants for Imminent Threat funds must be suffering from an immediate and urgent threat to public health or safety, verified by an independent source and the jurisdiction must not have the financial capacity to solve the problem. Imminent Threat grant applications for infrastructure assistance will be reviewed by the Public Works Trust Fund (PWTF) program at CTED for loan eligibility before consideration by the CDBG Program.

Amount of Funds Available

Approximately \$166,000 is set aside from the state's annual CDBG allocation for Imminent Threat grants to address the urgent needs of eligible applicants. This funding level will be maintained on a funds-available basis with monies that become available for the Contingency Fund throughout the year, such as recaptured funds or program income. The ultimate amount of funds obligated for Imminent Threat may increase depending upon the number of Imminent Threat requests and the amount of funds made available from the Contingency Fund.

Any unused Imminent Threat grant fund balance remaining at the end of a program year will be made available for the next program year's funding distribution.

Application Guidelines

Application Deadline

Applications for Imminent Threat grants may be submitted any time during the 2006 program year.

Application Requirements

Applications for Imminent Threat grants are considered if there is a unique, emergency need posing a serious immediate threat to the health or safety of a community. Imminent Threat grant applications may be submitted in the form of a letter signed by the authorized chief administrative officer of the eligible jurisdiction. The letter must describe the following public health and safety problem and specifically address the following:

- The cause of the threat/emergency in terms of a natural disaster or other unforeseen and unavoidable circumstance;

- The nature and extent of the threat to the public health and safety, (i.e., the number of people affected, the area affected, etc.).
- Whether the situation is presently causing substantial harm, or whether and how it poses a potential threat to life and property or both.
- Is the problem of recent origin; has it emerged within the last 18 months?
- Provide the name and telephone number of an official, independent of the jurisdiction, who is able to verify the threat to public health and safety.
- Does the threat/emergency constitute a situation unanticipated and beyond the control of the local government? What preventative actions were taken? Develop a chronology of actions.
- Can the situation be adequately managed to protect the public until the next competitive CDBG application cycle? If not, explain.
- Provide a detailed Scope of Work to address the problem.
- Estimate a schedule for project completion. Can the project be completed within 90 days?
- What alternative courses of action or designs are/were considered to address the immediate need on an interim basis?
- Identify any other jurisdictions/districts involved in addressing the project. Provide a point of contact and phone number for those jurisdictions/districts.
- Estimate project costs and funding sources for the proposed project. How and when have project cost estimates been made?
- What financial reserves are available to resolve some (or all) of the problem?
- What will be the likely results if this application is not accepted for CDBG funding?
- Briefly describe the maintenance program for the system in question.
- Has the jurisdiction been placed in fiscal distress due to other recent emergency public works incidents? If “Yes,” please explain.
- Is this problem likely to happen somewhere else in the public works system at another time? How will the jurisdiction avoid the situation?

The applicant/jurisdiction can request technical assistance as it works through answering these questions. Documentation of each response will be necessary before funding will be approved, including a copy of the jurisdiction’s Declaration of Emergency. The Declaration of Emergency must be provided prior to or with the information requested above. Imminent Threat projects are not required to principally benefit low- and moderate-income persons.

The following certification and threshold requirements apply to Imminent Threat applications:

- Declaration of Emergency
- CDBG Resolution with Certification of Compliance
- Federal Disclosure Report
- Excessive Force Policy
- Residential Anti-Displacement and Relocation Assistance Plan
- Title VI Certification
- Citizen Grievance Procedure
- Environmental Review Form

Eligible Activities

Imminent Threat funding is available to address problems immediately causing a threat to public health or safety. The solution must be compatible with CDBG eligible activities as described in the General Purpose grants section of this Action Plan. A description of minimum eligibility standards, as developed by HUD, can be found in 24 CFR Part 570.483(d).

Method of Funding Distribution

Applications for Imminent Threat grants and appropriate documentation are evaluated by CTED staff according to the questions identified above in “Application Requirements” and verified through contacts with independent sources and site visits, if deemed appropriate. The type and amount of assistance provided is based on an assessment of whether a serious, urgent, unanticipated threat to public health or safety exists, the scope of the need, the length of time the problem has been apparent, what preventive actions have been taken, proposed cost, how quickly the problem can be remedied, the applicant’s financial capacity and the availability of funding (i.e., from CDBG and other sources).

The Imminent Threat review process is rigorous and intended to screen for only the most serious, emergency health and safety threats. If CDBG Contingency Funds are available, if the proposal is determined to meet the intent of the program and if no other funding is available to the community, an Imminent Threat grant may be awarded.

Relationship Between Imminent Threat Grants and Other CDBG Funds

An eligible jurisdiction can apply for more than one type of CDBG funding within the same year. However, a jurisdiction cannot apply for more than one Imminent Threat Grant per program year. To be considered for funding from the current program year, the jurisdiction must be invited to apply and the full application must be received by December 31st of that program year.



Cathlamet, Washington

Cathlamet was awarded a \$24,000 Planning-Only Grant in 2004 to develop a downtown revitalization plan.

Photo Courtesy CTED/CDBG

2006 CDBG Planning-Only Grants

The purpose of funding local planning activities is to increase the capacity of eligible cities and counties to move forward on the implementation of priority projects that principally benefit low- and moderate-income persons. This increased capacity could be the result of:

- Essential knowledge gained;
- Local consensus achieved;
- Regulatory prerequisites met; and/or
- Necessary partnerships developed.

The CDBG Planning-Only Grant program seeks to achieve a measurable return on the investment of planning funds through cost savings with implementation. Examples include:

- Determining feasibility before investment of construction funds.
- Identifying and addressing obstacles that could result in cost overruns, project delays or project failure.
- Considering and testing less expensive alternatives.
- Building consensus between local stakeholders or with regulatory agencies, thereby reducing potential legal battles or project delays.
- Building local support and leveraging local resources, especially through long-term fiscal planning.
- Identifying regional partners and shared objectives to reduce duplication of effort.
- Establishing outcome measurements to guide and demonstrate successful implementation.
- Proactively addressing a problem, instead of reactively responding to a more expensive crisis in the future.

The methods for accessing funds for planning activities other than through a Planning-Only Grant application process can be found in the other respective CDBG funds' sections of this Action Plan.

Program Purpose

The grant program supports eligible small communities and counties in carrying out planning activities that lead to the implementation of priority projects that principally benefit low- and moderate-income persons. Technical and financial assistance, through direct support and/or in partnership with other CTED programs, is available to achieve this goal.

National Objectives

All CDBG Planning –Only Grant projects must meet one of the two following national objectives of the CDBG Program (Title I, Housing and Community Development Act of 1974, as amended):

- To principally benefit persons of low- and moderate-income;
- To prevent or eliminate slums or blight.

Program Priorities

In addition, the project must address one or more of the Planning-Only Grant program priorities:

- To address public health and safety issues;
- To improve essential services to low- and moderate-income persons;
- To complete a necessary and specific step within a broader community development strategy; or
- To assist communities in meeting planning requirements that will principally benefit low- and moderate-income persons.

Amount of Funds Available

A fund of \$500,000 is available in 2006. Planning grants are limited to \$24,000 for a single applicant or \$40,000 for a joint application involving two or more eligible jurisdictions that share a common planning need.

Applications meeting all of the criteria listed below may be funded at an upper limit of \$35,000 for a single applicant or \$50,000 for a joint application involving two or more eligible jurisdictions that share a common need.

- The proposed project is to address a public health and safety issue;
- The proposed project is required by a regulatory agency (such as Washington State Department of Health or Department of Ecology);
- The community is facing financial hardship in addressing the issue; and
- Other funding has been considered (such as Public Works Trust Fund Loan).

Pre-Applications are accepted and reviewed throughout the year, with awards made on a funds available basis.

Eligible Activities

The CDBG Program works collaboratively with other CTED programs to provide technical and financial assistance for a wide range of planning activities. In general, the eligible planning activities include:

- Studies
- Analysis
- Capital Facility Plans
- Data gathering

- Identification of implementing actions
- Preparation of plans

A complete listing of eligible planning activities can be found in Section 105(a) of Title I of the Housing and Community Development Act of 1974, as amended. Planning-Only Grants can support an eligible jurisdiction's efforts to address local public health and safety issues, farmworker housing needs and meeting planning requirements that will benefit LMI persons.

Ineligible Activities

In general, any type of activity not described in the reference above is ineligible for consideration. In addition, CDBG Planning-Only Grants may not be used to fund:

- General grant administration expenses;
- Engineering, architectural, and design costs related to specific construction activity;
- Actual blue prints;
- Direct development of an application to any of the CDBG Program funds; or
- Other costs of implementing plans. (These costs may be eligible for CDBG funding as part of a CDBG construction grant.)

Method of Funding Distribution

The method of funding distribution and the basis for selecting applications for funding are outlined in the following steps of the Pre-Application and Application Processes:

1. Jurisdiction completes and submits Pre-Application Form.
2. Pre-Application passes or does not pass the CDBG Screening process, including –
 - Project addresses a program priority(s)
 - Project meets a national objective
 - Eligible applicant(s)
 - Eligible planning activity(s)
 - CDBG is the most appropriate funding sources
3. The CTED Resource Team reviews the request and considers technical and financial assistance options. A Discovery Form summarizing the project, key contact, amount of funding needed, and secured funding from other sources accompanies each project considered by the Resource Team. When presented to the Resource Team, a decision is made as to the type of assistance to offer, including additional technical assistance or partial or full funding of the project as proposed.

4. Based on the Resource Team's review, the CDBG Program invested the jurisdiction to apply or alternative options are identified. When the Resource Team recommended a project for funding, the CDBG Program sends a letter inviting the jurisdiction to complete and submit a final Planning-Only Grant application. The jurisdiction will receive the Planning-Only Grant Application Handbook with its invitation to apply. The jurisdiction must submit an application that meets all application elements within 60 days of the invitation to apply.
5. CDBG program staff review the application, to make sure that:
 - Threshold requirements are met, including public hearing documentation and an Interlocal Agreement (for joint applications only).
 - Narrative describes a compelling need, capacity to implement the project, readiness to proceed and clear results if funded.
 - Work plans are thorough and well conceived, including relationships with subrecipients or consultants.
 - Budget is reasonable and complete, with appropriate leverage resources.
6. Jurisdiction receives an award letter and begins the contracting process.

Award Review and Selection Criteria

To be funded, the applicant must provide complete and compelling information regarding their proposed project in the form of need, capacity, readiness and results statement. Examples of the type of information required for each statement follow. Application guidelines are available upon request.

1. Need Statement

The need Statement describes the general conditions the applicant organization or community wants to change or create, who is impacted and how, and how the community identified the proposed project as a high level priority within the community. The applicant's Need Statement will be evaluated on:

- A comparison of the relative hardship (difficulty) and frequency of the identified need.
- Whether or not mandated corrective actions have been ordered.
- Clarity of the need, evidence of the need and credibility of the documentation.
- Who is affected by the need.
- What would happen if nothing is done.

2. Capacity Statement

The applicant's Capacity Statement will be evaluated using the following criteria:

- Past efforts and/or attempts to address the need.
- Whether or not the jurisdiction (and participating subrecipients) has/have the capacity and authority to address the need on their own.
- Capacity of the jurisdiction (or responsible subrecipient) to operate and manage the project into the foreseeable future.
- Financial need – availability (or unavailability) of local resources.

3. Readiness Statement and Work Plan

The following criteria is used to evaluate the applicant's Readiness Statement:

- The overall need for a community development resource is great and has a high likelihood of rapidly producing a public benefits.
- Extent to which all necessary financial and non-financial project participants are firmly committed and involved at the point of application.
- Evidence that the time between contract award and the point at which the public benefits will begin is minimal.
- Thoroughness and reasonableness of the Budget Assumptions and Budget Form.
- Completeness of the Work Plan narrative and Work Plan Form.
- It is incumbent upon the applicant to convince the program that its project has strong agreement among all interested and affected parties that the project as proposed is necessary and appropriate.

4. Results Statement

When formulating a Results Statement, the applicant must consider the following:

- Degree of certainty that the project will have the desired impact and will address the need in the way and to the level it was intended.
- Benefit of the project to persons and households that are both above and below the low- and moderate-income level within the intended service area.
- Methods that will be used to measure results and how this information will be used and reported.
- Return on Investment – Degree of certainty that the project will produce outputs* and outcomes** that are commensurate with the amount of public resources provided and secured.

*Outputs = Things that you can count (quantity). For example, the number of people to be served by a project.

**Outcomes = How people will benefit from the project (quality). For example, what difference will the project make in an individual's life?

When two or more eligible jurisdictions are located in the same region and share a common planning need, they are encouraged to seek cooperative solutions by preparing a joint application.

In order to be reviewed, a final application must be preceded by a successful pre-application. Final applications will only be reviewed if the applicant was invited to apply. Projects will be reviewed and funded on a first-come, first-serve policy, according to the program rating and selection criteria.

Joint Applications

When two or more eligible jurisdictions are located in the same region and share a common planning need, they are encouraged to seek cooperative solutions by preparing a joint application. An Interlocal Agreement, signed by each participating jurisdiction, must be submitted with the application, if an invitation to apply is extended. Jurisdictions considering a joint application are encouraged to contact the CDBG Program to review eligibility and approval of expanded budget.

Relationship Between Planning-Only Grants and Other CDBG Funds

An eligible jurisdiction can apply for more than one type of CDBG funding within the same year. However, a jurisdiction (including a jurisdiction participating in a multiple jurisdiction project) will not be awarded more than one Planning-Only Grant per year, so the planning project of highest priority should be submitted first. To be considered for funding from the current project year, the jurisdiction must be invited to apply and the full application must be received by December 31st of that program year.

A Planning-Only Grant cannot fund the direct development of another CDBG application, although some activities that could support a subsequent application are eligible for Planning-Only Grant funding. Receipt of a Planning-Only Grant *does not* guarantee that a related CDBG application will be funded.

2006 CDBG Public Services Grant

The Department of Community, Trade and Economic Development provides a portion of its annual CDBG award for Public Services Grants to eligible counties and Community Action Agencies. Funding allocations will be made on a formula basis and contracts established with an eligible county interested in working with a community action agency as a subrecipient. It is possible for eligible jurisdictions to apply for all other CDBG Program funds within the same program year. No more than 15 percent of the state's full 2006 CDBG grant from HUD will be available for public service activities.

Amount of Funds Available

\$1,660,720 has been set aside to fund Public Services Grants to counties and community action agencies serving non-entitlement communities. This amount reflects an anticipated 8 percent reduction in federal funding from the 2005 funding level. Additional reductions in actual 2006 federal funding can further impact the amount of funds available in 2006 for Public Services Grants.

From the total set aside amount, \$3,000 is allotted for each of the 12 eligible county recipients and the remaining funds are then distributed among the 12 eligible community action agencies.

Application Guidelines

Application Deadline

Counties and their local community action agency will be invited to apply for awards for the 2006 program year. Contracts must be complete prior to disbursement of 2006 funds.

Application Requirements

- Application materials will be made available no later than October 31, 2005.
- Funding to the community action agencies will be made on a formula basis consistent with agreements forged with community action agencies by Community Services Block Grant (CSBG) staff and approved by the U.S. Department of Health and Human Services.
- Applicants for formula grants must meet all CDBG submittal requirements before contracts will be fully executed. This includes Section 102 Disclosure Report Form, public hearing, and other CDBG requirements.

Eligible Applicants

Eligible applicants for the Public Services Grants are counties serving all or a portion of the local community action agency's service region as

long as none of the service region contains counties with more than 200,000 populations and the county does not serve as a HUD Urban County Consortium.

Of the state's 31 community action agencies, it has been determined that 12 community action agencies principally serve residents of non-entitlement areas within non-entitlement counties. For community action agencies that also serve an entitlement city within a non-entitlement county, state CDBG funds will only be used for eligible programs that target and benefit residents of the non-entitlement service areas of the county.

County	Subrecipient Community Action Agency
Asotin	Community Action Partnership
Grant	North Columbia Community Action Council
Grays Harbor	Coastal Community Action Program
Jefferson	Olympic Community Action Programs
Kittitas	Kittitas County Action Council
Okanogan	Okanogan County Community Action Council
Skamania	Klickitat/Skamania Development Council
Stevens	NE WA Rural Resources Development Association
Thurston	CAC of Lewis, Mason and Thurston Counties
Walla Walla	Blue Mountain Action Council
Whitman	Community Action Center
Yakima	Yakima Valley Farm Worker Clinic / NW CAC

Eligible Activities

CDBG Public Services Grants are available to improve the community's public services. According the Section 105(a)(8) of Title 1 of the Housing and Community Development Act of 1974, as amended, CDBG public service funds may be used to assist a variety of activities that provide public services to low- and moderate-income persons including, but not limited to:

- Employment
- Crime prevention
- Child care
- Health
- Drug abuse
- Education
- Energy conservation
- Welfare
- Recreational programs

The methods for funding eligible public service activities from one of the other CDBG funding programs (other than through the Public

Services Grant application process) can be found in the other CDBG fund application handbooks.

Ineligible Activities

In general, any activity not described in the reference above and that does not principally benefit low- and moderate-income persons is ineligible for consideration.

CDBG Public Services Grants also cannot fund activities and their administration costs that are instead eligible for funding through another CDBG fund/line item, such as:

- Planning
- Housing rehabilitation
- Facility acquisition, construction or renovation

The methods for accessing CDBG funds for activities that are not considered a CDBG public service activity can be found in the respective funds' sections of this Action Plan.

In addition, CDBG funds may not be used for:

- Administration costs related to the general management of the organization
- Political activities
- Payments to individuals for their food, clothing, utilities, or other income payments
- New housing construction costs

Method of Funding Distribution

Of the state's 31 community action agencies, 12 principally serve residents of non-entitlement areas of non-entitlement counties and are eligible for a Public Services Grant. The distribution of funds from the CDBG Public Services Grant program and its partner the state CSBG Program is based on a formula negotiated with the state's community action agencies. This formula described in the 2005-2006 Washington State Plan for the CSBG Program takes into account population and poverty data.

The Contingency Fund is . . . carried over to the next program year and made available for new grant awards.

2006 CDBG Contingency Fund

The Contingency Fund is the accumulation of recaptured/deobligated funds, remaining funds allocated to a grant fund that was unobligated at the end of the program year, and program income. These accumulated funds will be carried over to the next program year and made available for new grant awards as described in the individual fund sections of this Action Plan.

Amount of Funds Available

It is estimated that approximately \$2,500,000 will be carried over from 2005 to establish the 2006 Contingency Fund. Any recaptured funds, remaining funds or program income that become available during the program year will be added to the Contingency Fund.

Use of Funds

Resources available in the Contingency Fund may be used when the initial funding allocation for a CDBG funding program is fully obligated and then a priority project that meets the eligibility criteria is ready to be funded under that program. Table II-3 lists the anticipated uses of Contingency Funds for priority projects within the CDBG funding programs.

The Contingency Fund also allows the award of funds early in the program year, if HUD is late in allocating the new program year award to CTED. This supports the timely expenditure of CDBG resources and assures that the immediate funding needs of a priority local project can be met.

The Contingency Fund is used to maintain the Imminent Threat Grant funding level at \$166,000 and to fund priority projects and Supplemental Grants on a funds-available basis. Resources available in the Contingency Fund will be made on a priority basis first to CDBG Imminent Threat grant requests and then to existing CDBG contracts in need of supplemental funds.

Funds remaining in the Contingency Fund at the end of the program year will be carried over into the next program year's Contingency Fund and distributed in a manner that is consistent with the overall goals, objectives and guidelines of the Action Plan.

Application Requirements

The application requirements are outlined in the individual fund sections of this Action Plan.

2006 CDBG Contingency/Supplemental Grants

Supplemental Grant requests are awarded on a funds available basis from the CDBG Contingency Fund. Supplemental Grant awards are intended as a last resort funding option for grantees whose approved projects have encountered unanticipated costs overruns. Once a Supplemental Grant is awarded, the supplemental funds are incorporated into the grantee contract through a contract amendment process.

Amount of Funds Available

Supplemental Grants are made available through the Contingency Fund on a funds available basis. Any recaptured funds, remaining funds or program income that become available during the program year will be added to the Contingency Fund and be made available for priority Supplemental Grant requests. The ultimate amount of funds obligated for Supplemental Grant may increase depending upon the number of Supplemental Grant requests and the amount of funds made available from the Contingency Fund.

Resources available in the CDBG Contingency Fund will be made on a priority basis first to CDBG Imminent Threat grant requests and then to existing CDBG contracts in need of supplemental funds.

Applications for Supplemental Grants may be submitted anytime during the 2006 program year and are awarded on a funds available basis.

Eligible Applicants

An applicant for a Supplemental Grant must be a recipient of an open CDBG contract.

Eligible Activities

Supplemental Grants are available to complete previously approved CDBG funded activities in communities with existing CDBG contracts that do not exceed the maximum grant amount.

Application Requirements

Under normal circumstances, CTED will not grant additional funds to pay for costs, which exceed the originally approved project budget. However, subject to funds being available at the time of request, and CDBG funds not exceeding the original grant limit, CTED may authorize the use of Contingency Funds for unanticipated costs caused by circumstances beyond the reasonable control of the grantee provided that all other program requirements and objectives can be met.

All supplemental funding actions must obtain CTED approval before any reimbursement of funds occur.

A request for supplemental funding must be submitted in the form of a letter, signed by the authorized chief administrative officer of the eligible jurisdiction, which addresses the following questions and provides documentation for each response.

All applicants for supplemental funds must answer the following questions:

- Has the grantee received the maximum CDBG grant amount according to grant limits for the funding year? Under special circumstances, giving consideration to the maximum average CDBG cost per household by program area, total awards may be increased to 2006 award levels.
- Can the goals (or part of the goals) of the project be realized without additional funds? If no, why not?
- Could the need for additional funds have been reasonably anticipated? If yes, why were appropriate steps not taken to prevent project cost overruns?
- Can the need for additional funds be met through an internal budget procedure (i.e., using money designated for another line item)?
- Are there alternative courses of action available to solve the problem?
- Have all other sources of funding been exhausted?

Method of Funding Distribution

Grantee requests will be subject to review for “reasonableness.” Reasonableness will be determined by CTED’s review of the applicant’s response to the questions as listed above in “Application Requirements”.

Relationship Between Supplemental Grants and Other CDBG Funds

A CDBG recipient may apply for a Supplemental Grant for an existing project, as well as apply for any other CDBG fund for another project during the same program period.



Icicle Inn
Leavenworth, Washington
A Section 108 Loan Guarantee
Project

Photo Courtesy Economic
Development Division/CTED

Section 108, the loan guarantee provision of the CDBG program, provides communities with a source of financing for economic development, housing rehabilitation, public facilities and large-scale physical development projects.

CDBG-Supported Loan Fund Programs

2006 Section 108 Loan Guarantee Program

Section 108 is the loan guarantee provision of the Community Development Block Grant (CDBG) program. Section 108 provides communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects. Regulations governing the Section 108 program may be found at 24 CFR 570, Subpart M, “Loan Guarantees.” For a current list of obligations to date, see Table II-11.

Although this pledge does not immediately reduce the state’s CDBG allocation, future reductions due to payment default may result in the reduction of the state’s annual award. Reduction to the state’s annual award will be absorbed by the Contingency Fund. Reductions in excess of the available balance within the Contingency Fund will be absorbed proportionally by all CDBG programs. Although there have been net reductions in the recent past, there were no net reductions occurring in program year 2005.

Amount of Funds Available

The state will pledge up to the amount of its 2006 CDBG allocation or \$18,000,000 (whichever is greater) to guarantee loans. More resources may be made available, up to the maximum allowable by HUD, on a project-by-project basis at the discretion of the CTED Director.

Application Guidelines

Application Deadline

Applications for the Section 108 Loan Guarantee Program may be submitted throughout the 2006 CDBG program year.

Application Requirements

Applications for the Section 108 Loan Guarantee Program will be reviewed and approved by CTED staff. Applications must be submitted by eligible jurisdictions. Applicants may request a minimum of \$700,000 and a maximum of \$7 million. An eligible jurisdiction may submit more than one application each year; however, in no event shall a local jurisdiction receive more than \$7 million in outstanding Section 108 Loan Guarantees. Application guidance can be found in the Section 108 regulations at 24 FR 570.704, “Application Requirements.”

An application will consist of:

- Evidence that the jurisdiction has complied with Citizen Participation Requirements, including at least one well publicized public hearing and the adoption of a CDBG Grievance Procedure;
- A loan guarantee request signed by the authorized chief administrative officer of the local jurisdiction;
- Evidence that a concerted effort was made to obtain alternative sources of financing and that such sources, both public and private, were either not available or were insufficient to meet the financing needs;
- A breakdown of total project costs;
- Sufficient financial history and projections to allow for a comprehensive risk assessment and the completion of a credit memorandum by staff that is in compliance with HUD's Underwriting Guidelines for Section 108 Applications;
- A source and use of funds statement;
- Documentation supporting the job impact or other impact to low- and moderate-income persons;
- Assurance that all CDBG Program requirements will be met, and that HUD citations show that the proposed activity is eligible and meets one of the national objectives (low- and moderate-income benefit, prevention/elimination of slum/blight, or urgent need); and
- Evidence that the applicant jurisdiction has passed a resolution with Certifications of Compliance authorizing submittal of the CDBG Section 108 Loan Guarantee application and certifying compliance with specific state and federal requirements.

Eligible Activities

Section 108 Loan Guarantees are available for specifically allowed revenue-producing CDBG eligible activities. Section 108 Loan Guarantee funds may be used for activities undertaken by a public entity or its designated public agency that will:

- Meet the public benefit criteria, as defined by HUD;
- Assure that all CDBG Program requirements will be met.

Activities eligible for Section 108 financing include:

- Economic development activities eligible under CDBG;
- Acquisition of real property;
- Rehabilitation of public-owned real property;
- Housing rehabilitation eligible under CDBG;
- Construction, reconstruction, or installation of public facilities (including street, sidewalk, and other site improvements);
- Related relocation, clearance, and site improvements;
- Payment of interest on the guaranteed loan and issuance costs of public offerings;
- Debt service reserves; and

- In limited circumstances, housing construction as part of community economic development, Housing Development Grant, or Nehemiah Housing Opportunity Grant programs.

For purposes of determining eligibility, the CDBG rules and requirements apply. As with the CDBG program, all projects and activities must either principally benefit low- and moderate-income persons, aid in the elimination or prevention of slums or blight, or meet urgent needs of the community.

Ineligible Activities

Activities not eligible for Section 108 Loan Guarantees include:

- Activities that do not meet the public benefit criteria, as defined by HUD; and
- Activities that are ineligible under the CDBG program.

Requirements of Funding

The use of Section 108 Loan Guarantees will be considered only if the following requirements are met:

- The project meets the public benefit criteria, as defined by HUD;
- The project adheres to all CDBG Program requirements; and
- The project complies with all applicable federal, state, and local laws and regulations.

Method of Funding Distribution

Applications for Section 108 Loan Guarantee Program funds will be evaluated on an individual basis using the following criteria:

- Need for the assistance (i.e., the assistance is “appropriate” for the project);
- The ratio of jobs created to Section 108 Loan Guarantee funds requested is reasonable for the type of activity proposed. HUD’s requirement for individual businesses is a maximum of \$50,000 assistance per full-time equivalent, permanent job created or retained. CTED guidelines are flexible and average around \$25,000 in assistance per FTE job created or retained;
- The project adheres to all CDBG Program requirements;
- The proposed repayment term is 20 years or less;
- Other reasonable financing alternatives have been exhausted; and
- Request for funds allows for a minimum of \$700,000 and a maximum of \$7 million.

Review and Approval Process

Applications for Section 108 Loan Guarantees must be reviewed and approved by the state prior to being submitted to HUD. The state’s review will consist of an evaluation and recommendation by CTED staff, which will include both the Economic Development Division staff or Housing Division staff, and CDBG program staff; when appropriate,

the Rural Washington Loan Fund Advisory Committee; and finally, approval by the CTED Director. The Director may place additional conditions on the loan guarantee and may require that up to 10 percent (10%) of the loan proceeds be reserved for defaulted loan payments.

The application and supporting documents will then be forwarded to the HUD Regional Office. After review and approval by the Regional Office staff, the application will be forwarded to HUD Headquarters in Washington, D.C., for final review and approval. HUD may impose additional conditions on the loan guarantee.

Special Requirements

Applicants receiving approval:

- May be required to establish a reserve account of up to 10 percent (10%) of the loan amount;
- Will be charged an interest rate of the cost of borrowing plus a one-time commitment fee of up to 1½ percent of the loan amount; and
- Will pledge adequate collateral commensurate with the risk and term of the request.

Use of Section 108 Program Revenues

Any incremental servicing fees assessed over the cost of borrowing or commitment fee, shall be used for administrative costs.



Coyote Candles
Port Townsend, Washington
An RWLF Loan Project

Photo Courtesy Economic
Development Division/CTED

2006 Rural Washington Loan Fund

The Rural Washington Loan (RWLF), administered by CTED, was created by the Washington State Legislature to provide “gap financing” loans to small businesses, primarily in economically distressed and timber-impacted areas of the state. To conform to the State Constitution, the RWLF Program exchanges the state appropriated RWLF funds with an equal amount of CDBG Program funds. RWLF is guided by RCW 43.168, in addition to HUD regulations.

Currently, \$558,000 is available to be switched with CDBG resources and is being held available for use in the RWLF Program and/or to be granted to capitalize revolving loan funds in a local jurisdiction(s). In the event that the RWLF lacks sufficient resources to complete an eligible loan request at any point in the year, up to \$500,000 annually will be made available from the state’s award.

Amount of Funds Available

The RWLF Program anticipates funding authority of approximately \$7.2 million for the 2006 program year. This includes up to \$500,000 of additional resources that will be made available from the state’s annual CDBG award if RWLF has exhausted its funds.

Application Guidelines

Application Deadline

Applications for RWLF loans are accepted throughout the year. Recommendations regarding applications will be made to the RWLF Advisory Committee. The committee’s recommendation requires the approval by the Director of CTED.

Application Requirements

An application to the RWLF must be on behalf of a specific business project. An eligible jurisdiction may submit more than one application at any time. Applications up to a maximum of \$1,000,000 each may be accepted.

An application will consist of:

- An application signed by the authorized chief administrative officer of the local jurisdiction;
- Documentation supporting the need for the assistance and job impact;
- Confirmation/documentation of authority of the business to enter into the transaction;
- Evidence that the jurisdiction has complied with Citizen Participation Requirements, including at least one well publicized public hearing and the adoption of a CDBG Grievance Procedure; and
- Assurance that all CDBG Program requirements will be met.

Eligible Applicants

The Washington State Legislature has targeted at least 80 percent (80%) of the RWLF funds to distressed and timber-impacted areas. A distressed area has been defined in RCW 43.168.020 as 1) a rural county, one that has less than 100 resident per square mile; 2) a county with an unemployment rate 20 percent (20%) above the state average for the immediately previous three years; 3) a county with a median household income level that is less than the state median household income for the previous three years; or 4) an area within a county that meets the following conditions:

- It is composed of contiguous census tracts;
- It has a minimum population of 5,000;
- It has a median household income level that is less than 75 percent (75%) of the state median household income for the previous three years; and
- It has an unemployment rate 40 percent (40%) higher than the county's unemployment rate.

A timber/salmon impact area has been defined as a county, or a city within a county, having a population of less than 500,000 and meeting two of the following three criteria, for the most recent year that such data is available. The Employment Security Department has determined that the three criteria are that a county or city has:

- A lumber and wood products employment location quotient at or above the state average;
- Projected or actual lumber and wood products job losses of 100 or more; and
- An annual unemployment rate 20 percent (20%) or more above the state average.

The county or any city within a distressed county may sponsor a RWLF application. Non-distressed areas may receive up to 20 percent (20%) of RWLF funds provided that the fund's net worth is not less than \$7,100,000.

Eligible Activities

RWLF can accommodate almost any type of private sector business that has the legal authority to borrow funds. This includes owner-users, developers, not-for-profit organizations, and quasi-public corporations such as ports, limited partnerships, general partnerships, proprietorships, and community organizations. RWLF priority ventures include business projects that will:

- Meet public benefit criteria, as defined by HUD;
- Create or retain job opportunities benefiting low- and moderate-income persons; and

RWLF loans are typically used for “gap” financing.

- Increase cash flow into the community by diversifying and expanding the economic base.

The business may be involved in any of the following activities:

- Manufacturing or other industrial production;
- Agricultural development or food processing;
- Aquaculture development or seafood processing;
- Development or improved utilization of natural resources;
- Tourism facilities;
- Transportation or freight facilities;
- Retail or service enterprises that will expand the community’s economic base rather than redistribute an existing customer base; and
- Other activities representing new technology or a type of economic enterprise that is needed to diversify or stabilize the economic base of an area.

A business that faces a relatively high probability of layoffs needs to demonstrate that:

- Prospects for a turn-around of profitability are good;
- The economic fabric of the community would be significantly damaged through the projected loss of jobs; or
- The business has a record of providing jobs for which low-income persons are eligible.

Funds can be loaned for the acquisition, design and engineering, improvement, rehabilitation, construction, operation, or maintenance of any property, real or personal, which is used or is suitable for use by an economic enterprise (subpart CFR 570.203). Working capital term loans are eligible.

RWLF loans are typically used for “gap” financing, to help cover a “gap” between the costs of a financing project and the monies that can either be borrowed from other lenders or supplied by investors. As a “gap” lender, RWLF loans are usually limited to 33 percent (33%) of the project cost. However, applications from certified minority- and women-owned businesses (MWOB) may receive 100 percent (100%) funding if the request is less than \$50,000 and are allowed to have less than 67 percent (67%) lender participation if the request is greater than \$50,000 but less than \$100,000. The underwriting criteria for MWOB loans under \$100,000 can be more flexible than for typical RWLF loan applications.

Ineligible Activities

Activities not eligible under the RWLF Program include:

- Funds used for the purpose of directly or indirectly financing shopping malls;
- Businesses which have a negative tangible net worth; and
- Those activities that do not meet the public benefit criteria, as defined by HUD.

Method of Funding Distribution

Applications for RWLF loans will be evaluated on an individual basis using the following criteria:

- The need for assistance must meet the public benefit requirements for the project. HUD's public benefit requirements for individual businesses is a maximum of \$50,000 assistance per full-time equivalent, permanent job created or retained. HUD's standards for activities in the aggregate must create or retain at least one full-time equivalent (FTE), permanent job per \$35,000 of CDBG funds used;
- RWLF guidelines are flexible and average around \$25,000 per FTE job created or retained;
- Job creation. Permanent jobs created or retained as a result of the project will be made available to low-income persons; and
- Other criteria as defined by RWLF statute.

Use of RWLF Program Revenues

Businesses receiving assistance through the RWLF are required to make principal and interest payments. Up to two percent (2%) of program income, including principal and interest and investment earnings received by the fund may be used for RWLF Program administration. The balance of the program income will be made available for future loans through the RWLF Program.



Briggs Nursery
Olympia, Washington
A CDBG Float Funded Loan Project

Photo Courtesy Economic
Development Division/CTED

2006 CDBG Float-Funded Activities

CTED manages the Float-Funded Activities program that serves the non-entitlement jurisdictions by using CDBG funds allocated to the Washington State CDBG Program, but not expected to be drawn down for the duration of the loan term. These funds may be used to provide short-term loans to businesses/developers and interim construction financing to eligible jurisdictions for CDBG-eligible activities that meet a HUD National Objective. Float-funded activities are described in the HUD regulations at 24 CFR 570.301(b).

Amount of Funds Available

Based on the estimated cash expenditures of CDBG construction grants and the amount of estimated funding available for the FY 2006 Washington State CDBG program, the maximum estimated amount of funding for Float-Funded Activities is \$18,000,000. For projected and existing Float-Funded activity obligations, see Table II-10.

Application Guidelines

Application Deadline

Applications for CDBG Float-Funded Activity grants may be submitted anytime after adoption of the 2006 Action Plan. The decisions related to project approval or denial will be made by the Director of CTED.

Application Requirements

An application for a Float-Funded Activity must be on behalf of a specific economic or community development project. An eligible jurisdiction may submit more than one application at any time.

An application will consist of:

- An application signed by the authorized chief administrative officer of the local jurisdiction;
- Documentation supporting the need for the assistance and job impact or benefit to low- and moderate-income persons;
- Confirmation/documentation of authority of the business or community development organization, or jurisdiction to enter into the transaction;
- Evidence that the jurisdiction has complied with Citizen Participation Requirements, including: at least one well-publicized public hearing and the adoption of a CDBG grievance procedure, assurance that all CDBG program requirements will be met, and

- Submittal of an unconditional, irrevocable letter of credit drawn from a financial institution acceptable to CTED in the amount of the request. CTED may require that the letter of credit be enlarged to cover accrued interest. For interim construction financing to a jurisdiction, a commitment letter from an acceptable take-out funding source is required.

Eligible Activities

Float-Funded Activities can accommodate almost any type of private sector business or non-profit organization that has the legal authority to borrow funds. This includes owner-users, developers, and quasi-public corporations such as ports, limited partnerships, general partnerships, proprietorships and community organizations. CDBG Float-Funded Activities may also be used to fund interim construction grants to eligible jurisdictions where a CDBG General Purpose or Community Investment Fund grant has been awarded. Float-Funded Activities can be made in support of any CDBG-eligible economic, housing or community development projects.

Float-Funded Activities priority ventures include business projects that will:

- Meet public benefit criteria, as defined by HUD;
- Have an identifiable funding or return on investment gap preventing the project from being accomplished;
- Meet either the HUD National Objective of creation or retention of job opportunities principally benefiting low- and moderate-income persons or of principally benefiting low- and moderate-income persons or families;
- Create or retain job opportunities benefiting low- and moderate-income persons;
- Increase cash flow into the community by diversifying and expanding the economic base; and
- Assist business or community development projects that require infrastructure or housing investments.

Participating businesses may be involved in any of the following activities:

- Manufacturing or other industrial production;
- Agricultural development or food processing;
- Aquaculture development or seafood processing;
- Development or improved utilization of natural resources;
- Tourism facilities;
- Transportation or freight facilities;
- Retail or service enterprises that will expand the community's economic base rather than redistribute an existing customer base; and

- Other activities representing new technology or a type of economic enterprise that is needed to diversify or stabilize the economic base of an area.

A business that faces a relatively high probability of layoffs needs to demonstrate that:

- Prospects for a turn-around of profitability are good;
- The economic fabric of the community would be significantly damaged through the projected loss of jobs; or
- The business has a record of providing jobs for which low-income persons are eligible.

Funds can be loaned to a business for acquisition, design and engineering, improvement, rehabilitation, construction, operation or maintenance of any property, real or personal, which is used or is suitable for use by an economic enterprise (subpart CFR 570.203). Working capital term loans are eligible.

Ineligible Activities

Activities not eligible for Float-Funded Activities include:

- Those activities that do not meet public benefit criteria, as defined by HUD.

Requirements for Funding

The interim use of CDBG funds will be allowed only if the following requirements are met:

- The business must demonstrate that public financing of the project provides a public benefit that at least meets or exceeds HUD requirements to create or retain jobs. HUD's requirement for individual businesses is a maximum of \$50,000 assistance per full-time equivalent, permanent job created or retained. CTED guidelines are flexible and average around \$25,000 assistance per FTE job created or retained;
- Eligible jurisdictions receiving interim construction financing must meet the HUD National Objective of providing a benefit to principally low- and moderate-income persons;
- The business or project sponsor must provide for the benefit of the jurisdiction/CTED an unconditional, irrevocable letter of credit in U.S. dollars in the full amount of the principal, plus interest if required, due under the loan from a financial institution acceptable to CTED;
- For interim construction financing to a jurisdiction, a commitment letter from an acceptable take-out funding source is required;

- The business must agree to create jobs, the majority of which will be made available to low- and moderate-income individuals. Retention of jobs can also be considered as a qualifying factor;
- The business must enter into a First Source Agreement with a local Job Service Center or private employment agency. The purpose of the agreement is to identify and place certified disadvantaged (i.e., low- and moderate-income) workers in non-managerial jobs created by the project;
- Rates of interest and other loan terms are determined by the needs of the project and by competitive factors;
- The business must agree to comply with all applicable federal, state and local laws and regulations;
- Interim financing – Float-Funded Activities in support of housing will primarily benefit low- and moderate-income households; and
- Interim financing in support of infrastructure will primarily benefit low- and moderate-income persons.
- An interest rate of two percent (2%) will be charged by the CDBG program on interim construction funds drawn by a jurisdiction. This interest rate will apply to interim construction Float-Funded Activities for both housing and infrastructure activities.

Method of Funding Distribution

Applications for Float-Funded Activities will be evaluated on an individual bases using the following criteria:

- Need for assistance – The assistance requested meets the public benefit criteria, as defined by HUD;
- Job creation – Permanent jobs created or retained as a result of the project will be made available to low- and moderate-income persons;
- Housing – Interim financing in support of housing projects principally benefits low- and moderate-income households; and
- Infrastructure – Interim financing of projects principally benefiting low- and moderate-income persons.

CDBG and CTED staff will review each application. Additional information will be requested if needed. Staff will decide whether or not the project meets the above-stated criteria. The CTED certifying authority is the Director of CTED. If funds are available, a Float-Funded Activity Grant will be awarded to the applicant. CTED reserves the right to require payment of a loan to a business, developer or jurisdiction made through a Float-Funded Activity at any time, when it is in the best interest of the program.

Use of Float-Funded Activity Program Income

Jurisdictions receiving a Float-Funded Activity award will be required to return the full principal plus interest to CTED. Float-Funded Activity program income will be treated as additional CDBG funds subject to

24 CFR 570.489 Subpart I, and will be distributed to units of general local government in accordance with the state's approved annual method of distribution. Float-Funded Activity program income may also be used to reimburse administrative expenses incurred by the program staff directly involved in packaging a specific Float-Funded Activity project.



City Fire Station
Goldendale, Washington

2003 CDBG General Purpose grant
for \$300,000 for expansion of
existing fire station.

Photo Courtesy CDBG/CTED

Other 2006 CDBG Program Guidelines

Reallocated Funds

Reallocated funds are those that HUD has recaptured from a grantee and reallocated to the state in accordance with the Community Development Act of 1974, as amended. Reallocated funds that are received by the state with the annual grant will be made available to eligible jurisdictions through 2006 funding distribution processes in accordance with the methods of distribution described in this statement.

Recaptured Funds

Recaptured funds are funds that remain unused by grantees at the point of contract completion and are deobligated. These funds will be redistributed according to the guidelines in this section.

Recapture of Funds Policy

It is CTED's policy to recapture and retain (deobligate) unspent CDBG funds from any CDBG award when it is clear that the recapture will not preclude local ability to complete approved activities. Most commonly, funds are recaptured during the administrative closeout process of a CDBG contract.

For General Purpose and Community Investment Fund grants only, exceptions to this policy may be made under the following special circumstances:

- Up to two percent (2%) of the grant recipient's total grant amount, to a maximum of \$10,000, may be retained for CDBG eligible activities, subject to written approval by CDBG program staff;
- Use of unexpended funds for new activities will be limited to instances where previously approved project activities will be measurably enhanced as reviewed and approved by CDBG staff. Use of unexpended funds may also be used to implement some part or all of the jurisdictions' approved Americans with Disabilities Act (ADA) plan;
- The use for which a jurisdiction requests to retain unexpended funds must meet CDBG rating criteria and the Action Plan criteria for the year in which the funds were originally awarded; and
- Fund balances deobligated from General Purpose and Community Investment Fund grant projects may be re-obligated in grants made to the originating jurisdiction for the express purpose of accomplishing ADA objectives under the ADA Incentive Grant program. Up to two percent (2%) of the grant recipient's total original grant amount, up to a maximum of \$10,000, may be reallocated as an ADA Incentive Grant award. Awards made to

jurisdictions for ADA Incentive grants must be expended within one year of the contract date.

Use of Recaptured Funds

Recaptured funds will be placed within the Contingency Fund and distributed in a manner that is consistent with the overall goals, objectives and guidelines of this Action Plan.

Remaining Funds

Remaining funds are funds that have not been, or are no longer intended to be distributed according to the method of distribution for annual grants. This can be an amount left over after awarding grants within an individual CDBG program, but too small to fully fund an application.

Funds not distributed by the end of the CDBG program year, December 31st, will be placed in the Contingency Fund and distributed in a manner that is consistent with the overall goals, objectives and guidelines of this Action Plan.

Change in Use Policy

All real property acquired or improved with CDBG funds must be used to benefit the intended low- and moderate-income beneficiaries for at least ten (10) years from the administrative closeout date of the CDBG contract between CTED and the grantee jurisdiction. Any proposed change in use must follow the steps outlined in 24 CFR 570.489(j).

Entitlement/Non-Entitlement Policy

The state CDBG program will fund projects that benefit both entitlement and non-entitlement area residents only when at least 51 percent (51%) of the project beneficiaries are documented as being full-time residents of non-entitlement areas and other conditions are met, as outlined in the state CDBG program's policy related to grants proposed to be located in an entitlement area.

Program Income

Program income is any income generated from the use of CDBG program funds such as proceeds from disposition of property, loan repayments with interest, proceeds from sale of loans and accumulated payments received prior to a project being administratively closed. All program income accrued while a contract is still open and active must be used prior to drawing additional CDBG funds from the state.

Program income for active contracts must be accounted for on each reimbursement request. Income earned by the grantee as a result of project activities after project completion and after administrative closeout, retains its federal identity and must be reported to CTED annually if it exceeds \$25,000 in any calendar year.

1) General Purpose and Community Investment Fund Grants

It is CTED's option, under federal CDBG regulations, to allow local jurisdictions to return or retain program income generated through implementation of their approved grant activities. Accordingly, CTED will allow jurisdictions receiving General Purpose, Community Investment Fund and Supplemental grants to retain program income, earned during grant implementation, to continue the activity from which the program income was derived in accordance with applicable regulations and a duly executed closeout report between the grantee jurisdiction and CTED. Program income earned after project completion, but before administrative closeout, may be subject to the Recapture of Funds Policy.

Jurisdictions receiving a grant in support of a microenterprise project will be allowed to retain program income for continuance of the microenterprise activity in accordance with CDBG requirements and a closeout agreement between the grantee jurisdiction and CTED.

2) Planning-Only, Imminent Threat and Public Services Grants

Jurisdictions receiving Planning-Only, Imminent Threat or Public Service grants will be required to return any program income generated during project implementation. This program income will be subject to the Recapture of Funds Policy and returned to the Contingency Fund for distribution in accordance with this Action Plan.

3) Housing Enhancement and Housing Rehabilitation Grant Programs

Jurisdictions receiving a CDBG Housing Enhancement or CDBG Housing Rehabilitation grant will be allowed to retain program income for continuance of the housing program in accordance with applicable requirements and closeout agreement between the grantee jurisdiction and CTED.

4) Rural Washington Loan Fund Grants (RWLF)

Businesses receiving assistance through RWLF are required to make principal and interest payments. Up to two percent (2%) of program income including principal, interest and investment earnings received by the fund may be used for RWLF program administration. The balance of program income will be made available for future loans through the RWLF program, in a manner that is consistent with the overall goals and objectives of the RWLF program.

5) Float-Funded Activities

Jurisdictions receiving a Float-Funded Activity award will be required to return the full principal plus interest to CTED. Float-Funded Activity program income will be treated as additional CDBG funds subject to 24 CFR 570.489 Subpart I, and will be distributed to units of general local governments in accordance with the state's approved annual method of distribution. Float-Funded Activity program income may also be used to reimburse administrative expenses incurred by program staff directly involved in packaging a specific float-funded project.

Miscellaneous Revenue

The amount of program income expected to be generated in 2006 by the state's revolving loan funds and deposited to the state's revolving loan fund is \$1,140,201.

The amount of program income expected to be received in 2006 from float-funded activities is \$1,333,482.

Float-Funded Activities - No float funded defaults are anticipated in 2006 since float-loans are secured by bank-supported irrevocable letters of credit. Refer to Table II-10 below for a detail of current float loans.✕

Part II

Program Action Plans

Table II-10: Float-Funded Activities Program Income

Float-Funded Activities Program Income						
Detail of program income expected from new year 2006 float-funded activities and program income expected from current float-funded activities.						
Name	Location	Year	Float-Funded Activities Amount	Float-Funded Activities Program Income	Date of Issuance	Due Date
Gorge Delights	Skamania County	2003	\$250,000	\$251,232	9/4/03	3/4/06
Shoemaker Manufacturing	Kittitas County	2003	\$1,050,000	\$1,055,250	10/29/03	4/29/06
Cardinal Glass	Lewis County	2004	\$8,400,000	\$0	12/29/04	06/29/07
Grassland West	Clarkston	2005	\$350,000	\$7,000	2/18/05	08/18/07
**Town of Concrete	Concrete	2005	\$2,000,000	\$20,000	2005	12/2006
** Denotes Proposed Float-Funded Activities						
TOTALS:			\$12,050,000	\$1,333,482		
* Float-funded activities are secured in full by an Irrevocable Bank Letter of Credit, or in the Case of Interim Construction Floats, a Letter of Commitment from USDA Rural Development.						

Table II-11: Detail of Existing Section 108 Loan Guarantee Projects

Detail of Existing Section 108 Loan Guarantee Projects						
Name	Location	Year	Original Amount	Balance as of 09/01/05	CDBG Fund Losses	Maturity Date
Shilo Inn	Ocean Shores	1994	\$3,600,000	\$2,050,000	0	August 1, 2014
Icicle Amusement	Leavenworth	1996	\$2,020,000	\$1,030,000	0	August 1, 2015
Everybody's of Raymond	Raymond	2001	\$1,960,000	\$1,310,000	0	August 1, 2016
Grays Harbor PDA	Grays Harbor County	2001	\$4,565,000	\$4,500,000	0	August 1, 2021
Maritime Center	Port Townsend	2002	\$1,000,000	\$690,000		August 1, 2023
Total Currently Obligated:				\$9,580,000		
Total Unobligated:				\$8,420,000		

Table II-12: Available CDBG Loan Guarantee for 2006

Available CDBG Loan Guarantee for 2006	
Section 108 Loan Guarantee Available in 2006	\$17,000,000
Estimated Section 108 Loan Guarantee Obligations 9/01/05	\$9,580,000
Total Unobligated Section 108 Loan Guarantee 9/01/05	\$8,420,000

PART III – MONITORING STANDARDS



Angle Lake Court (Senior Housing)
SeaTac, Washington

A HOME project
Photo Courtesy Housing Division/CTED

MONITORING STANDARDS AND PROCEDURES

Overview

CTED executes contracts with all grant recipients and these contracts list the program requirements. CTED monitors its grant recipients for compliance with specific program requirements and also areas such as general management, performance goals, financial management, data collection and reporting, eligibility determinations, nondiscrimination, program outreach, timely reporting, coordination with other programs, and inspection of completed units. Monitoring will consist of both desk and on-site reviews.

Primary Goals

CTED has four primary goals while monitoring programs and projects:

1. Ensure accomplishment of service or product.
2. Ensure accountability of public funds and minimization of risk.
3. Ensure compliance with federal and state requirements.
4. Evaluate organizational and project performance for a specific time period.

These goals apply to all programs and services, including the state HOME, Emergency Shelter Grant, Housing Opportunities for Persons With AIDS, Emergency Shelter Assistance, and Community Development Block Grant Programs.

HOME Monitoring Plan

Each of the programs funded by the HOME grant will establish specific policies, procedures, and tools to perform on-site and desk monitoring. Basic standards for each program, include:

HOME Repair and Rehabilitation Program

- Contractors are responsible for quality assurance of all work and must perform a final inspection on 100 percent of all housing units worked on.
- CTED will conduct inspections of a random sample of units improved. The sample will be based on number of units improved and nature of problems found.

- Technical assistance, the primary purpose of all site visits, will be provided based on monitoring findings.
- Trip (or compliance) reports will be written and provided to agencies within 21 working days of a site visit.
- Contractors are responsible for correcting and reporting deficiencies within 30 days of receiving the trip report.

HOME Rental Housing (Moderate and Substantial Rehabilitation; New Construction)

Perform on-site inspections of HOME-assisted units in rental housing developments no less than:

- Every three years for projects of one to four units,
- Every two years for projects with five to 25 units, and
- Annually for projects with 26 or more units.

HOME Tenant-Based Rental Assistance (TBRA)

Perform annual desk monitoring of contractors to ensure completions of on-site inspections of rental housing occupied by tenants receiving HOME-TBRA.

The following procedures and standards apply to HOME Rental Housing, ADDI homeownership and TBRA activities.

- Perform an annual risk assessment on each program and/or project funded with HOME and ADDI monies. The risk assessment will identify which funding recipients require comprehensive monitoring. High-risk funding recipients include those that are:
 - New organizations to the HOME program.
 - Experiencing turnover in key staff positions, such as executive director and chief financial officer.
 - Repeated past compliance or performance problems.
 - Undertaking multiple HOME-funded activities for the first time, such as rental projects and TBRA.
 - Not submitting timely documentation, such as annual reports and/or requests for reimbursement.
- Conduct desk reviews at least annually. The annual performance report will be reviewed and the activities reported will be compared with the original contract and purpose of the program, along with any subsequent amendments.
- Take appropriate corrective action in situations of noncompliance in conformance with contract terms and conditions. Generally, the following intervention stages will be used:

Stage 1 – Low-level intervention will include one or more of the following actions:

- Clearly identify problem areas and required corrective action;
- Plan a strategy with the contractor that includes any training or technical assistance that may help to address identified problems;
- Require more frequent or more thorough reporting by the Contractor; or
- Conduct more frequent contractor monitoring reviews.

Stage 2 – Moderate-level intervention may be attempted after the Stage 1 level and will include one or more of the actions referred to in the suspension actions sections of the appropriate contract.

Stage 3 – High-level intervention, the most serious actions available, may be taken to put an end to noncompliance problems. Such steps may include the following:

- Suspending the contractor from HFU program eligibility;
- Termination of the contractor's contract for the project;
- Legal action, to include foreclosure of the project property in question.

Emergency Shelter Grant Program (ESG) and Housing Opportunities for Person with AIDS (HOPWA) Monitoring Plan

Perform on-site monitoring for HOPWA and ESG contractors every three years. Desk monitoring of contractors will be performed every two years.

- Monitoring will be conducted using a standardized monitoring instrument and will be documented in the appropriate monitoring file.
- Instances of noncompliance will be corrected immediately. When such immediate correction is not feasible, the agency will correct such deficiencies within 30 days, providing CTED with copies of supporting documents demonstrating the corrective action taken. Additional time for corrective action may be allowed, on a case-by-case basis.
- A risk analysis will be performed annually based upon the data reported in annual performance reports. The analysis will also include, but not be limited to, audit reports, evidence of key staff turnover, timeliness of billings and other reporting requirements.
- Agencies determined to be at a high level of risk for fund accountability and program compliance will be scheduled for monitoring within the next 6 to 12 months.
- Instances of noncompliance will be recorded and reported as necessary to members of the CTED Housing Division and other CTED Divisions, which may be funding other programs, administered by the agency in question.
- Once an agency has fully complied with program requirements and can be categorized at a lower level of risk, monitoring may then revert to the regular schedule.



**Migrant Head Start Learning Center
Wapato, Washington**

A 2003 CDBG General Purpose Grant for \$750,000 to the city (and the subrecipient, the Washington State Migrant Council) for construction of the Learning Center, benefiting 85 households (317 people).

Photo Courtesy CDBG Program/CTED

Community Development Block Grant (CDBG) Monitoring Plan

The CDBG program seeks to ensure that all funded projects are successful. From the time an application for assistance is received to final closeout of the contract, the CDBG program assesses a project for the value it will add to the community, documents how it will meet a national objective and monitors for compliance with federal and state requirements.

Initially, an application for assistance must pass through the CDBG threshold review process to determine that the proposed activity is eligible, has local government support and meets basic criteria. Then the application passes through the rating and selection process, which objectively assesses the need, capacity, readiness and results. Once these reviews are met, the CTED and the local government establish a contract that defines scope, schedule, budget and expected outcomes of the project. This contract meets CTED contracting standards.

CDBG funds a wide range of projects and has determined the following monitoring plan based on the type of project funded and the risk associated with non-construction or construction projects:

- Non-construction projects at a minimum will be desk monitored over the life of the contract following the monitoring standards and procedures set forth in the CDBG Non-Construction Grant Handbook.
- Construction projects at a minimum will be monitored on-site at least once during the contract period.
- Construction projects will be desk monitored at critical stages of the project, including environmental review's request for release of funds, procurement of contractors, and initial labor standards package review.
- Project managers will identify a prioritized monitoring schedule in the electronic Project Management Report system, listing the anticipated or actual monitoring dates for each open CDBG contract.
- All CDBG grantees will be monitored once prior to a contract being administratively closed.

HUD representatives may also conduct monitoring visits to assure that grantees are carrying out their programs in accordance with applicable laws and regulations.

Monitoring standards and procedures for CDBG contracts are set forth in Section 15 of the CDBG Management Handbook and Section 10 of the CDBG Non-Construction Handbook.

Management workshops are offered a minimum of once a year for all new and current CDBG grant recipients. Workshops are usually held at sites on both the east and the west sides of the state.

Technical assistance on all aspects of CDBG performance and compliance issues is available upon request.

The CDBG staff objectives for monitoring are to determine if grantees are:

- Carrying out their CDBG-funded activities as described in their contracts (as modified or amended);
- Carrying out the program or project in a timely manner in accordance with the schedule included in the CDBG contract;
- Charging costs to the program or project which are eligible under applicable regulations;
- Complying with other applicable laws, regulations and terms of the CDBG contract;
- Conducting the program in a manner which minimizes the opportunity for fraud, waste and mismanagement; and
- Have a continuing capacity to carry out the approved program or project and meet record retention requirements.

The areas monitored may include:

- Overall Management System, Record Keeping and Progress in Activities
- National Objectives
- Environmental Review
- Financial Management
- Property Management
- Procurement
- Efforts to Use Small, Minority- and Women-Owned Businesses
- Labor Standards
- Non-Construction Contracts between Grantees and Consultants
- Subrecipients
- Civil Rights
- Acquisition/Relocation
- Housing Rehabilitation and Lead-Based Paint
- Citizen Participation

When a grantee is found to be out of compliance, CDBG staff will identify a specific period of time in which compliance should be achieved. Usually the grantee will have 30 days to correct deficiencies. Copies of supporting documentation demonstrating

Part III Monitoring Standards

that corrective action has been taken will be required. Additional time for corrective action may be allowed on a case-by-case basis. Failure by the grantee to correct deficiencies may result in funds being withheld, sharing of the noncompliance findings with other CTED programs and divisions, and possible restrictions on future grants.⌘

PART IV – CITIZEN PARTICIPATION



CTED/CDBG Home Page featuring Draft 2006 Action Plan for public comment.

CITIZEN PARTICIPATION PLAN

Activities for 2006 Action Plan

CTED has met the state citizen participation requirements described within this Citizen Participation Plan through a series of public outreach activities, by making the draft Action Plan available for comment and by conducting a formal public hearing.

Public Outreach

CTED developed email distribution lists of its stakeholders, including low-income housing advocates and organizations, CDBG-eligible cities and counties, HOME consortiums, economic development councils and interested others. Using these lists, CTED sent announcements of the opportunities to comment on the draft Action Plan at the public hearing and during the comment period. Another email message was sent toward the end of the comment period as a reminder.

A public notice was published in four regional newspapers. This notice announced the opportunities to comment on the draft Action Plan at the public hearing and during the comment period, and how to access the draft Action Plan for review.

The Action Plan process and draft materials were reviewed during several public outreach events, including the regional meetings on the 2004 Consolidated Annual Performance Evaluation Report (CAPER) in May 2005, the county/homeless shelter provider meetings regarding the new state Homeless Housing and Assistance Act funds in July 2005, the CDBG application workshops in September 2005 and at the community action agency's statewide conference in October 2005.

Availability of Plan

The draft 2006 Action Plan was made available by phone or email request and on CTED's website at www.cted.wa.gov/cdbg beginning September 7, 2005.

Copies of the draft Action Plan were distributed to the state's regional libraries and to community action agencies for public review.

The final 2006 Action Plan will continue to be available by request and on the CTED's website at www.cted.wa.gov/cdbg.

Opportunity to Comment

Comments were received during the development of the 2006 Action Plan, during the August 22, 2005 public hearing, and during the formal comment period that began on September 8, 2005, and ended at 5 p.m. on October 7, 2005. These comments represent important perspectives that impacted the final 2006 Action Plan and will continue to be discussed and considered as the state evaluates its annual performance in delivering resources during the 2006 program year.

Options for formal comment included email or regular mail. Opportunity for oral comments was also given at the public hearing location.

Comments regarding the operation and function of the state Community Development Block Grant (CDBG), HOME Investment Partnerships, Housing Opportunities for People With AIDS (HOPWA) and the Emergency Shelter Grant (ESG) programs are welcome at any time.

Comments Received

HOME General Purpose (GP) and Tenant-Based Rental Assistance (TBRA) Programs

- All comments received were supportive of the proposed targeting of HOME GP Program and TBRA funds to people who are homeless and/or have special needs with incomes at or below 30 percent (30%) of local median income.
- One comment supported limiting rather than targeting funds to households at or below 30 percent (30%) of local median income.
 - *Response: CTED supports limiting the award of HOME GP funds to these households. Limiting, rather than targeting, the award of HOME GP funds to households at or below 30 percent (30%) of local median income, demonstrates our commitment to serving these households.*
- A suggestion was made to require that projects targeting the homeless are consistent with any local Ten Year Plan to End Homelessness.
 - *Response: We will ensure that the HOME GP application process includes such a requirement.*
- Suggestions were also offered for the refinement of some references in the HOME GP language related to the HOME requirements.
 - *Response: The HOME GP description in the 2006 Action Plan is revised to include clarifications regarding HOME maximum per unit subsidy limits, eligible activities and*

Community Housing Development Organizations (CHDO) targeting.

- A question was posed about whether the proposed HOME GP Program will support the trend away from transitional housing for the homeless to permanent housing with transitional services.
 - *Response: The proposed HOME GP Program will support permanent housing for the homeless that includes supportive services.*

Steve Moss, Washington State Coalition for the Homeless, wrote to state his appreciation and support for the proposed changes and also noted the importance of such changes, given the passage of the Housing and Assistance Act and the stated goal of reducing homelessness by 50 percent (50%) by 2015. Additional resources are needed to meet this goal and combining state and local HOME resources will help meet the goal.

Corine Knudsen, Washington State Coalition for the Homeless, attended the public hearing and stated her support for the proposed targeting of the HOME GP funds. She also asked whether the proposed HOME GP Program will support the trend away from transitional housing for the homeless to permanent housing with transitional services.

Joanne LaTuchie, City of Seattle Office of Housing, wrote to express her support for proposed targeting of HOME GP funds to people who are homeless or have special needs and have incomes at or below 30 percent (30%) of local median income. She also suggested limiting, rather than targeting, the award of HOME GP funds to households at or below 30 percent (30%) of local median income. Joanne suggested some changes to the HOME maximum per unit subsidy limit statements to clarify that the limits apply only to the award of HOME funds, not total per unit project costs. She also suggested revising the description of eligible activities to allow the combination of activities such as rehabilitation and new construction in a single project and clarifying the applicability of the CHDO description to HOME funds in general or HOME GP funds in particular.

Requirements for State: CTED

The citizen participation requirements for state governments receiving HUD funds are located under 24 CFR 91.115. According to HUD's requirements, the participation plan must provide for and encourage citizens to participate in the development of the consolidated plan, any substantial amendments to the consolidated plan, and the performance report. Based on these requirements, CTED has established the following procedures for ensuring effective public participation.

Consultation

1. Local Governments, advisory groups, program stakeholders, other state agencies and interested citizens will be consulted during preliminary development of the consolidated and action plans. They, and others, will also be consulted in the event amendments are necessary to the consolidated or action plans.

The state CDBG program is considering forming in 2006 an advisory group for consultation on CDBG activities.

2. State and federal agencies will be consulted when changes could affect or change the way state managed HUD resources work with existing program structures.

Meetings and Notice of Meetings

1. When developing the consolidated plan or when there are significant proposed changes to policy or program design, CTED will convene a focus group(s), workshop(s) or public meeting(s) to seek input. Whenever feasible, CTED will conduct multiple meetings to gather broad public comment and input.
2. Meetings will be located on both the east and west sides of the state when appropriate and feasible, otherwise the meeting will be held either on the west or east side of the state.
3. The meeting location(s) will be barrier-free and a contact person will be specified to provide special accommodations upon request.
4. Notices of meetings will be posted on CTED's website and distributed 14-days in advance through electronic mail to applicable citizen participation distribution lists maintained by the Housing, Local Government or Economic Development Divisions. Notices of meetings, when appropriate and feasible, may also be distributed through the mail and published in one or more newspapers of general circulation.

Public Hearings and Publication Information

1. At least one public hearing will be conducted on housing and community development needs before the proposed consolidated plan is published for comment.
2. Public hearing locations will be barrier-free and a contact person will be specified to provide special accommodation to citizens that request it.
3. Notices will be posted on CTED's website and distributed through electronic mail to applicable citizen participation distribution lists maintained by the Housing, Local Government, or Economic Development Divisions 14-days in advance of the public hearing. Notices will also be sent by mail to local governments, 14-days in advance of the public hearing and published in at least four regional newspapers of general circulation or business journals, 14-days in advance of the public hearing.
4. Notices will describe locations, times, purpose of the public hearing, and invite people with special needs to contact a specified person to make appropriate arrangements.
5. Generally, public hearings will not be necessary for amendments.
6. In the event that a program component is added or eliminated, several non-grammatical changes are needed, or the state determines it would benefit from a public hearing, a public hearing or set of public hearings will be conducted by CTED, which may be conducted by video conferencing through local video conferencing facilities.

Amendments to the State's Method of Distribution

Amendments to the Consolidated Plan are necessary at least once each year as a means of proposing and updating the state's method of distributing HUD funds. Annual amendments to the state's Consolidated Plan are called the Action Plan. In addition, amendments will be necessary when new funding programs are available and need to be incorporated into the five-year Consolidated Plan prior to implementation. Amendments to the Consolidated Plan will be necessary when:

- Funding amounts are ten percent more or less than amounts anticipated in the Action Plan; or,
- Components of the programs within the Consolidated Plan or Action Plan are proposed to change significantly in scope (such as eliminating a component or changing the method of distribution of funds).

Opportunity to Examine Consolidated Plan or Amendment

1. Interested parties will be able to examine a copy of the proposed consolidated plan or amendment at CTED's office in Olympia, at specified libraries and public places, or request a copy from a

designated contact person. A copy of the plan or amendment will also be posted on CTED's website.

2. Copies will be made available in a form accessible to persons with disabilities upon request.
3. Notices of the availability of the proposed consolidated plan or amendment for review will be posted on CTED's website and distributed through electronic mail to applicable citizen participation distribution lists maintained by the Housing, Local Government or Economic Development Divisions in advance of the publication of the proposed plan or amendment. A notice will also be published in at least two regional newspapers of general circulation or business journals, in advance of the publication of the proposed consolidated plan or amendment.
4. Notices will include a summary of the proposed consolidated plan or amendment that describes the contents and purpose of the consolidated plan or amendment, and will include a list of the locations where copies of the entire proposed consolidated plan or amendment may be examined.

Comments on Consolidated Plan and Amendments

1. CTED will allow at least 30 days for public comment on the proposed consolidated plan or amendment and will consider comments received in writing during the comment period, or orally at the public hearing, before preparing the final consolidated plan or amendment.
2. CTED will respond to each comment received during the public comment period and from the public hearing.
3. A summary of these comments or views, and a summary of any comments or views not accepted and the reasons therefore, will be attached to the final consolidated plan or amendment submitted to HUD. Similar comments may be combined, in which case the number of people or organizations that concur with the issue as expressed will be specified.

Performance Reports

1. Performance Reports will be complete and available for review at least 21 days prior to when they are submitted to HUD.
2. Notice of report availability and the name of a contact person will be distributed through electronic mail to applicable citizen participation distribution lists maintained by the Housing, Local Government, or Economic Development Divisions.
3. CTED will allow at least 15 days for public comment and will consider comments received in writing during the comment period, or orally at any public hearing, before submitting the performance report to HUD.

4. A summary of these comments or views will be attached to the performance report submitted to HUD. Similar comments may be combined, in which case the number of people or organizations that concur with the issue, as expressed, will be specified.

Access to Records

Citizens, public agencies, and other interested parties will be provided with reasonable and timely access to information and records relating to the state's Consolidated Plan, all subsequent amendments, and the state's use of assistance under the programs covered by the Consolidated Plan during the preceding five years. Requests for information may be submitted to:

☞ **CDBG Program**
Department of Community, Trade, and Economic Development
906 Columbia Street Southwest
Post Office Box 42525
Olympia, Washington 98504-2525

Complaints

Written complaints and grievances regarding the Consolidated Plan or its subsequent amendments will be logged in by the appropriate person, then forwarded through the correct channels and monitored for resolution and timely response.

The CDBG complaint procedure provides for CDBG program staff to conduct follow-up research, including notification to the jurisdictions, and to write a response to the complainant. When possible, the complainant will receive a written or oral response within 15 working days.

The Managing Director may also treat the complaint as an administrative review when the complaint is related to CDBG staff interpretation of program policies or rules. An administrative review may take longer than 15 working days to complete; the complainant will be notified when a complaint is going to receive administrative review and will be provided an estimate of time needed for a response.

Requirements for Local Jurisdictions

The Washington State CDBG Program requires that jurisdictions demonstrate within their initial application for CDBG funds, that they have met the program's Citizen Participation requirements. Documentation must include, the jurisdiction's process for seeking and obtaining citizen participation leading up to application submittal, the process for ensuring ongoing citizen participation, and a grievance procedure.

Based on the federal citizen participation requirements outlined in 24 CFR 570.486, the minimum requirements for the submission of a CDBG application are:

1. Conduct at least one public hearing prior to submission of the CDBG application. This hearing must be held at a convenient time and location to encourage citizen participation.
2. Publish an official announcement of the hearing, providing reasonable advance notice. A sample public hearing notice with required language is available from CTED upon request.
3. Distribute information on the availability of CDBG funds and the eligible uses at the public hearing. Sample fact sheets are available from CTED upon request.
4. Review local demographic data to determine if it is reasonable to expect a significant number of non-English speaking residents to participate in the public hearing and advertise and conduct the public hearing in accordance with this determination. Detailed guidance on providing and documenting outreach and accommodation for non-English speaking residents is provided in the application handbooks and available from CTED upon request.
5. Adopt a grievance procedure for the use of CDBG funds. A sample grievance procedure is available from CTED upon request.
6. Document that the notice was published and the hearing was held. A documentation checklist is provided below.

The required citizen participation documentation to be submitted with the application includes:

- A copy of the public hearing minutes, including a statement that the CDBG required handouts were distributed.
- A copy of the affidavit of publication or the notice from the paper.
- The Outreach and Accommodation for Non-English Speaking Residents form, documenting the review and determination of local data on non-English speaking populations, the list of outreach steps (if applicable) and accommodations made.
- A copy of the jurisdiction's adopted Grievance Procedure. ✎

CERTIFICATIONS



CPMP State Grantee Certifications

Many elements of this document may be completed electronically, however a signature must be manually applied and the document must be submitted in paper form to the Field Office.

☐ This certification does not apply.
☒ This certification is applicable. See signature on the last page.

STATE CERTIFICATIONS

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the jurisdiction certifies that:

Affirmatively Further Fair Housing -- The State will affirmatively further fair housing, which means it will conduct an analysis of impediments to fair housing choice within the state, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting that analysis and actions in this regard.

Anti-displacement and Relocation Plan -- It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR 24; and it has in effect and is following a residential antidisplacement and relocation assistance plan required under section 104(d) of the Housing and Community Development Act of 1974, as amended, in connection with any activity assisted with funding under the CDBG or HOME programs.

Drug Free Workplace -- It will or will continue to provide a drug-free workplace by:

1. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the grantee's workplace and specifying the actions that will be taken against employees for violation of such prohibition;
2. Establishing an ongoing drug-free awareness program to inform employees about -
 - a. The dangers of drug abuse in the workplace;
 - b. The grantee's policy of maintaining a drug-free workplace;
 - c. Any available drug counseling, rehabilitation, and employee assistance programs; and
 - d. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
3. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph 1;
4. Notifying the employee in the statement required by paragraph 1 that, as a condition of employment under the grant, the employee will -
 - a. Abide by the terms of the statement; and
 - b. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
5. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph 4(b) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;
6. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph 4(b), with respect to any employee who is so convicted -
 - a. Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or
 - b. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;
7. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs 1, 2, 3, 4, 5 and 6.


Anti-Lobbying -- To the best of the state's knowledge and belief:

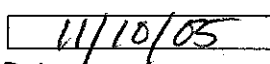
1. No Federal appropriated funds have been paid or will be paid, by or on behalf of it, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement;
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, it will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and
3. It will require that the language of paragraph 1 and 2 of this anti-lobbying certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

Authority of State -- The submission of the consolidated plan is authorized under State law and the State possesses the legal authority to carry out the programs under the consolidated plan for which it is seeking funding, in accordance with applicable HUD regulations.

Consistency with plan -- The housing activities to be undertaken with CDBG, HOME, ESG, and HOPWA funds are consistent with the strategic plan.

Section 3 -- It will comply with section 3 of the Housing and Urban Development Act of 1968, and implementing regulations at 24 CFR Part 135.


Signature/Authorized Official


Date

Sue Mauermann

Name

Deputy Director
CTED

Title

128 10th Avenue SW
PO Box 42525

Address

Olympia, Washington 98504-2525

City/State/Zip

(360) 725-2804

Telephone Number

☐ This certification does not apply.
☐ This certification is applicable. See signature on the last page.

Specific CDBG Certifications

The State certifies that:

Citizen Participation -- It is in full compliance and following a detailed citizen participation plan that satisfies the requirements of 24 CFR §91.115 and each unit of general local government that receives assistance from the State is or will be following a detailed citizen participation plan that satisfies the requirements of 24 CFR §570.486.

Consultation with Local Governments -- It has or will comply with the following:

1. It has consulted with affected units of local government in the nonentitlement area of the State in determining the method of distribution of funding;
2. It engages in or will engage in planning for community development activities;
3. It provides or will provide technical assistance to units of local government in connection with community development programs; and
4. It will not refuse to distribute funds to any unit of general local government on the basis of the particular eligible activity selected by the unit of general local government to meet its community development needs, except that a State is not prevented from establishing priorities in distributing funding on the basis of the activities selected.

Local Needs Identification -- It will require each unit of general local government to be funded to identify its community development and housing needs, including the needs of low-income and moderate-income families, and the activities to be undertaken to meet these needs.

Community Development Plan -- Its consolidated housing and community development plan identifies community development and housing needs and specifies both short-term and long-term community development objectives that have been developed in accordance with the primary objectives of Title I of the Housing and Community Development Act of 1974, as amended. (See 24 CFR 570.2 and 24 CFR part 570)

Use of Funds -- It has complied with the following criteria:

1. **Maximum Feasible Priority** - With respect to activities expected to be assisted with CDBG funds, it certifies that it has developed its Action Plan so as to give maximum feasible priority to activities which benefit low and moderate income families or aid in the prevention or elimination of slums or blight. The Action Plan may also include activities which the grantee certifies are designed to meet other community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community, and other financial resources are not available);
2. **Overall Benefit** - The aggregate use of CDBG funds including section 108 guaranteed loans during program year(s) 2005, 2006, 2007, (a period specified by the grantee consisting of one, two, or three specific consecutive program years), shall principally benefit persons of low and moderate income in a manner that ensures that at least 70 percent of the amount is expended for activities that benefit such persons during the designated period;
3. **Special Assessments** - The state will require units of general local government that receive CDBG funds to certify to the following:

It will not attempt to recover any capital costs of public improvements assisted with CDBG funds including Section 108 loan guaranteed funds by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements.

However, if CDBG funds are used to pay the proportion of a fee or assessment that relates to the capital

Jurisdiction

costs of public improvements (assisted in part with CDBG funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

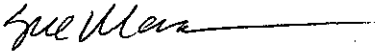
It will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108, unless CDBG funds are used to pay the proportion of fee or assessment attributable to the capital costs of public improvements financed from other revenue sources. In this case, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. Also, in the case of properties owned and occupied by moderate-income (not low-income) families, an assessment or charge may be made against the property for public improvements financed by a source other than CDBG funds if the jurisdiction certifies that it lacks CDBG funds to cover the assessment.

Excessive Force -- It will require units of general local government that receive CDBG funds to certify that they have adopted and are enforcing:

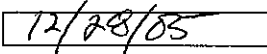
1. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in non-violent civil rights demonstrations; and
2. A policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such non-violent civil rights demonstrations within its jurisdiction;

Compliance With Anti-discrimination laws -- The grant will be conducted and administered in conformity with title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

Compliance with Laws -- It will comply with applicable laws.



Signature/Authorized Official



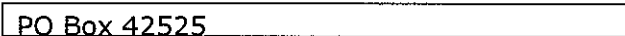
Date


Sue Mauermann

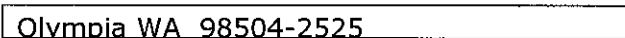
Name


Deputy Director

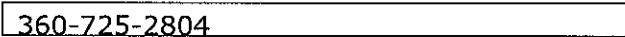
Title


PO Box 42525

Address


Olympia WA 98504-2525

City/State/Zip


360-725-2804

Telephone Number

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☐ This certification does not apply.
☒ This certification is applicable. See signature on the last page.

Specific HOME Certifications

The State certifies that:

Tenant Based Rental Assistance -- If it intends to provide tenant-based rental assistance:

The use of HOME funds for tenant-based rental assistance is an essential element of the State's consolidated plan.

Eligible Activities and Costs -- It is using and will use HOME funds for eligible activities and costs, as described in 24 CFR § 92.205 through §92.209 and that it is not using and will not use HOME funds for prohibited activities, as described in §92.214.

Appropriate Financial Assistance -- Before committing any funds to a project, the State or its recipients will evaluate the project in accordance with the guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other Federal assistance than is necessary to provide affordable housing;

Sue Mauermann
Signature/Authorized Official

11/10/05
Date

Sue Mauermann

Name

Deputy Director
CTED

Title

128 10th Avenue SW
PO Box 42525

Address

Olympia, Washington 98504-2525

City/State/Zip

(360) 725-2804

Telephone Number

Error! Not a valid link.

☐ This certification does not apply.
☒ This certification is applicable. See signature on the last page.

HOPWA Certifications

The State HOPWA grantee certifies that:

Activities -- Activities funded under the program will meet urgent needs that are not being met by available public and private sources.

Building -- Any building or structure assisted under the program shall be operated for the purpose specified in the plan:

1. For at least 10 years in the case of any building or structure purchased, leased, rehabilitated, renovated, or converted with HOPWA assistance,
2. For at least 3 years in the case of assistance involving non-substantial rehabilitation or repair of a building or structure.

Sue Mauermann
Signature/Authorized Official

11/10/05
Date

Sue Mauermann

Name

Deputy Director
CTED

Title

128 10th Avenue SW

Address

Olympia, Washington 98504-2525

City/State/Zip

(360) 725-2804

Telephone Number

☐ This certification does not apply.
☒ This certification is applicable. See signature on the last page.

ESG Certifications

The Emergency Shelter Grantee certifies that:

1. The requirements of 24 *CFR* 576.21(a)(4) which provide that the funding of homeless prevention activities for families that have received eviction notices or notices of termination of utility services meet the following standards: (A) that the inability of the family to make the required payments must be the result of a sudden reduction in income; (B) that the assistance must be necessary to avoid eviction of the family or termination of the services to the family; (C) that there must be a reasonable prospect that the family will be able to resume payments within a reasonable period of time; and (D) that the assistance must not supplant funding for preexisting homeless prevention activities from any other source.
2. The requirements of 24 *CFR* 576.25(b)(2) concerning the submission by nonprofit organizations applying for funding of a certification of approval of the proposed project(s) from the unit of local government in which the proposed project is located.
3. The requirements of 24 *CFR* 576.53 concerning the continued use of buildings for which Emergency Shelter Grant funds are used for rehabilitation or conversion of buildings for use as emergency shelters for the homeless; or when funds are used solely for operating costs or essential services, concerning the population to be served.
4. The building standards requirement of 24 *CFR* 576.55.
5. The requirements of 24 *CFR* 576.56, concerning assistance to the homeless.
6. The requirements of 24 *CFR* 576.57, other appropriate provisions of 24 *CFR* Part 576, and other applicable Federal law concerning nondiscrimination and equal opportunity.
7. The requirements of 24 *CFR* 576.59(b) concerning the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.
8. The requirements of 24 *CFR* 576.59 concerning minimizing the displacement of persons as a result of a project assisted with these funds.
9. (9) The requirements of 24 *CFR* 576.56(a) and 576.65(b) that grantees develop and implement procedures to ensure the confidentiality of records pertaining to any individual provided family violence prevention or treatment services under any project assisted under the Emergency Shelter Grants Program and that the address or location of any family violence shelter project assisted with ESG funds will not be made public, except with written authorization of the person or persons responsible for the operation of the shelter.
10. The requirement of that recipients involve, to the maximum extent practicable, homeless individuals and families in constructing, renovating, maintaining, and operating facilities assisted under the ESG program, and in providing services for occupants of these facilities as provided by 24 *CFR* 576.56(b)(2).
11. The new requirement of the McKinney Act (42 *USC* 11362) to develop and implement, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent such discharge from immediately resulting in homelessness for such persons. I further understand that State and local governments are primarily responsible for the care of these individuals, and that ESG funds are not to be used to assist such persons in place of State and local resources.

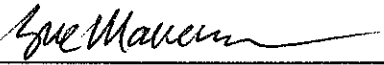

I certify that the State will comply with the requirements of 24 *CFR* Part 24 concerning the Drug Free Workplace Act

of 1988.

I certify that the State will comply with the provisions of, and regulations and procedures applicable under 24 *CFR* 576.57(e) with respect to the environmental review responsibilities under the National Environmental Policy Act of 1969 and related authorities as specified in 24 *CFR* Part 58 as applicable to activities of nonprofit organizations funded directly by the State. The State also agrees to assume the Department's responsibility and authority as set forth in 24 *CFR* 576.57(e) for acting on the environmental certifications and requests for the release of funds submitted to the State by local government recipients.

I certify that the State will ensure the provision of the matching funds required by 24 *CFR* 576.51 and 42 *USC* 11375, including a description of the sources and amounts of such supplemental funds, as provided by the State, units of general local government or nonprofit organizations.

I further certify that the submission of a complete and approved Consolidated Plan with its relevant certifications, which is treated as the application for an Emergency Shelter Grant, is authorized under State law, and that the State possesses legal authority to fund the carrying out of grant activities by units of general local government and nonprofit organizations in accordance with applicable laws and regulations of the Department of Housing and Urban Development.


Signature/Authorized Official 
Date


Sue Mauermann

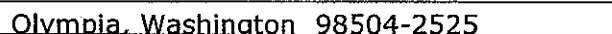
Name


Deputy Director
CTED

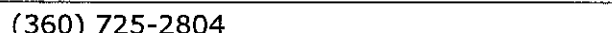
Title


128 10th Avenue SW
PO Box 42525

Address


Olympia, Washington 98504-2525

City/State/Zip


(360) 725-2804

Telephone Number

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☒ This certification is applicable. See signature on the last page.

APPENDIX TO CERTIFICATIONS

Instructions Concerning Lobbying and Drug-Free Workplace Requirements

Lobbying Certification

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Drug-Free Workplace Certification

1. By signing and/or submitting this application or grant agreement, the grantee is providing the certification.
2. The certification is a material representation of fact upon which reliance is placed when the agency awards the grant. If it is later determined that the grantee knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act, HUD, in addition to any other remedies available to the Federal Government, may take action authorized under the Drug-Free Workplace Act.
3. Workplaces under grants, for grantees other than individuals, need not be identified on the certification. If known, they may be identified in the grant application. If the grantee does not identify the workplaces at the time of application, or upon award, if there is no application, the grantee must keep the identity of the workplace(s) on file in its office and make the information available for Federal inspection. Failure to identify all known workplaces constitutes a violation of the grantee's drug-free workplace requirements.
4. Workplace identifications must include the actual address of buildings (or parts of buildings) or other sites where work under the grant takes place. Categorical descriptions may be used (e.g., all vehicles of a mass transit authority or State highway department while in operation, State employees in each local unemployment office, performers in concert halls or radio stations).
5. If the workplace identified to the agency changes during the performance of the grant, the grantee shall inform the agency of the change(s), if it previously identified the workplaces in question (see paragraph three).
6. The grantee may insert in the space provided below the site(s) for the performance of work done in connection with the specific grant: Place of Performance (Street address, city, county, state, zip code) Check ☐ if there are workplaces on file that are not identified here. The certification with regard to the drug-free workplace is required by 24 CFR part 21.

Place Name	Street	City	County	State	Zip
Raad Building	128 10th Avenue SW	Olympia	Thurston	WA	98501
Davis Williams Building	906 Columbia St SW	Olympia	Thurston	WA	98501

7. Definitions of terms in the Nonprocurement Suspension and Debarment common rule and Drug-Free Workplace common rule apply to this certification. Grantees' attention is called, in particular, to the following definitions from these rules: "Controlled substance" means a controlled substance in Schedules I through V of the Controlled Substances Act (21 U.S.C. 812) and as further defined by regulation (21 CFR 1308.11 through 1308.15); "Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes; "Criminal drug statute" means a Federal or non-Federal criminal statute

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involving the manufacture, distribution, dispensing, use, or possession of any controlled substance;
"Employee" means the employee of a grantee directly engaged in the performance of work under a grant, including:

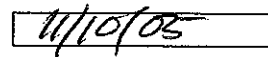
- i. All "direct charge" employees;
- ii. all "indirect charge" employees unless their impact or involvement is insignificant to the performance of the grant; and
- iii. temporary personnel and consultants who are directly engaged in the performance of work under the grant and who are on the grantee's payroll. This definition does not include workers not on the payroll of the grantee (e.g., volunteers, even if used to meet a matching requirement; consultants or independent contractors not on the grantee's payroll; or employees of subrecipients or subcontractors in covered workplaces).

Note that by signing these certifications, certain documents must be completed, in use, and on file for verification. These documents include:

1. Analysis of Impediments to Fair Housing
2. Citizen Participation Plan
3. Anti-displacement and Relocation Plan




Signature/Authorized Official


Date



Name



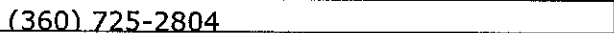
Title



Address



City/State/Zip



Telephone Number

Application for Federal Assistance

U.S. Department of Housing
and Urban Development

OMB Approval No.2501-0017 (exp. 03/31/2005)

1. Type of Submission

☒ Application

☐ Preapplication

2. Date Submitted 11/15/2005	4. HUD Application Number
3. Date and Time Received by HUD	5. Existing Grant Number
	6. Applicant Identification Number DUNS No. 808-88-2303

7. Applicant's Legal Name Washington State DCTED		8. Organizational Unit Housing Division	
9. Address (give city, county, State, and zip code) A. Address: 128 10th Avenue SW B. City: Olympia C. County: Thurston D. State: Washington E. Zip Code: 98504-2525		10. Name, title, telephone number, fax number, and e-mail of the person to be contacted on matters involving this application (including area codes) A. Name: Doug Hunter B. Title: Program Manager C. Phone: 360/725-2924 D. Fax: 350/586-5880 E. E-mail: dough@cted.wa.gov	
11. Employer Identification Number (EIN) or SSN 91-08238820		12. Type of Applicant (enter appropriate letter in box) A. State B. County C. Municipal D. Township E. Interstate F. Intermunicipal G. Special District H. Independent School District I. University or College J. Indian Tribe K. Tribally Designated Housing Entity (TDHE) L. Individual M. Profit Organization N. Non-profit O. Public Housing Authority P. Other (Specify) A	
13. Type of Application <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Renewal <input type="checkbox"/> Revision If Revision, enter appropriate letters in box(es) <input type="checkbox"/> <input type="checkbox"/> A. Increase Amount B. Decrease Amount C. Increase Duration D. Decrease Duration E. Other (Specify)		14. Name of Federal Agency U.S. Department of Housing and Urban Development	
15. Catalog of Federal Domestic Assistance (CFDA) Number Title: Component Title: HOME Investment Partnership Program 14 --- 239		16. Descriptive Title of Applicant's Program HOME Investment Partnership (HOME) Program for Washington State American Dream Downpayment Initiative (ADDI) Program for Washington State	
17. Areas affected by Program (boroughs, cities, counties, States, Indian Reservation, etc.) State of Washington			
18a. Proposed Program start date 1/1/06	18b. Proposed Program end date 12/31/06	19a. Congressional Districts of Applicant Third	19b. Congressional Districts of Program Statewide
20. Estimated Funding: Applicant must complete the Funding Matrix on Page 2.			
21. Is Application subject to review by State Executive Order 12372 Process? A. Yes <input type="checkbox"/> This preapplication/application was made available to the State Executive Order 12372 Process for review on: Date _____ B. No <input checked="" type="checkbox"/> Program is not covered by E.O. 12372 <input type="checkbox"/> Program has not been selected by State for review.			
22. Is the Applicant delinquent on any Federal debt? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes If "Yes," explain below or attach an explanation.			

Funding Matrix

The applicant must provide the funding matrix shown below, listing each program for which HUD funding is being requested, and complete the certifications.

Grant Program*	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income	Total
HOME	11,133,364.00								11,133,364.00
ADDI	294,191.00								294,191.00
									0.00
									0.00
									0.00
Grand Totals	11,427,555.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11,427,555.00


* For FHIPs, show both initiative and component

Certifications

I certify, to the best of my knowledge and belief, that no Federal appropriated funds have been paid, or will be paid, by or on behalf of the applicant, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with the awarding of this Federal grant or its extension, renewal, amendment or modification. If funds other than Federal appropriated funds have or will be paid for influencing or attempting to influence the persons listed above, I shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying. I certify that I shall require all sub awards at all tiers (including sub-grants and contracts) to similarly certify and disclose accordingly.

Federally recognized Indian Tribes and tribally designated housing entities (TDHEs) established by Federally-recognized Indian tribes as a result of the exercise of the tribe's sovereign power are excluded from coverage of the Byrd Amendment, but State-recognized Indian tribes and TDHEs established under State law are not excluded from the statute's coverage.

This application incorporates the Assurances and Certifications (HUD-424B) attached to this application or renews and incorporates for the funding you are seeking the Assurances and Certifications currently on file with HUD. To the best of my knowledge and belief, all information in this application is true and correct and constitutes material representation of fact upon which HUD may rely in awarding the agreement.

23. Signature of Authorized Official 		Name (printed) Sue Mauermann
Title Deputy Director; Washington State Department of Community, Trade and Economic Development		Date (mm/dd/yyyy) 11/10/2005

Application for Federal Assistance

U.S. Department of Housing
and Urban Development

OMB Approval No.2501-0017 (exp. 03/31/2005)

1. Type of Submission



Application



Preapplication

2. Date Submitted 11/15/2005	4. HUD Application Number
3. Date and Time Received by HUD	5. Existing Grant Number
	6. Applicant Identification Number DUNS No. 808-88-2303

7. Applicant's Legal Name Washington State DCTED		8. Organizational Unit Housing Division	
9. Address (give city, county, State, and zip code) A. Address: 128 10th Avenue SW B. City: Olympia C. County: Thurston D. State: Washington E. Zip Code: 98504-2525		10. Name, title, telephone number, fax number, and e-mail of the person to be contacted on matters involving this application (including area codes) A. Name: Mollie Wood B. Title: Program Manager C. Phone: 360/725-2943 D. Fax: 350/586-5880 E. E-mail: molliewood@cted.wa.gov	
11. Employer Identification Number (EIN) or SSN 91-08238820		12. Type of Applicant (enter appropriate letter in box) A. State B. County C. Municipal D. Township E. Interstate F. Intermunicipal G. Special District H. Independent School District I. University or College J. Indian Tribe K. Tribally Designated Housing Entity (TDHE) L. Individual M. Profit Organization N. Non-profit O. Public Housing Authority P. Other (Specify) A	
13. Type of Application <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Renewal <input type="checkbox"/> Revision If Revision, enter appropriate letters in box(es) <input type="checkbox"/> <input type="checkbox"/> A. Increase Amount B. Decrease Amount C. Increase Duration D. Decrease Duration E. Other (Specify)		14. Name of Federal Agency U.S. Department of Housing and Urban Development	
15. Catalog of Federal Domestic Assistance (CFDA) Number Title: Component Title: Housing Opportunities for People with AIDS 14 --- 241		16. Descriptive Title of Applicant's Program HOPWA for Washington State	
17. Areas affected by Program (boroughs, cities, counties, States, Indian Reservation, etc.) State of Washington			
18a. Proposed Program start date 1/1/06	18b. Proposed Program end date 12/31/06	19a. Congressional Districts of Applicant Third	19b. Congressional Districts of Program Statewide
20. Estimated Funding: Applicant must complete the Funding Matrix on Page 2.			
21. Is Application subject to review by State Executive Order 12372 Process? A. Yes <input type="checkbox"/> This preapplication/application was made available to the State Executive Order 12372 Process for review on: Date _____ B. No <input checked="" type="checkbox"/> Program is not covered by E.O. 12372 <input type="checkbox"/> Program has not been selected by State for review.			
22. Is the Applicant delinquent on any Federal debt? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes If "Yes," explain below or attach an explanation.			

Funding Matrix

The applicant must provide the funding matrix shown below, listing each program for which HUD funding is being requested; and complete the certifications.

Grant Program*	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income	Total
HOPWA	619,000.00								619,000.00
									0.00
									0.00
									0.00
									0.00
Grand Totals	619,000.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	619,000.00


* For FHIPs, show both initiative and component

Certifications

I certify, to the best of my knowledge and belief, that no Federal appropriated funds have been paid, or will be paid, by or on behalf of the applicant, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with the awarding of this Federal grant or its extension, renewal, amendment or modification. If funds other than Federal appropriated funds have or will be paid for influencing or attempting to influence the persons listed above, I shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying. I certify that I shall require all sub awards at all tiers (including sub-grants and contracts) to similarly certify and disclose accordingly.

Federally recognized Indian Tribes and tribally designated housing entities (TDHEs) established by Federally-recognized Indian tribes as a result of the exercise of the tribe's sovereign power are excluded from coverage of the Byrd Amendment, but State-recognized Indian tribes and TDHEs established under State law are not excluded from the statute's coverage.

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23. Signature of Authorized Official 	Name (printed) Sue Mauermann
Title Deputy Director; Washington State Department of Community, Trade and Economic Development	Date (mm/dd/yyyy) 11/10/2005

Application for Federal Assistance

U.S. Department of Housing
and Urban Development

OMB Approval No. 2501-0017 (exp. 03/31/2005)

1. Type of Submission

☒ Application

☐ Preapplication

2. Date Submitted

11/15/2005

4. HUD Application Number

3. Date and Time Received by HUD

5. Existing Grant Number

6. Applicant Identification Number

DUNS No. 808-88-2303

7. Applicant's Legal Name

Washington State DCTED

8. Organizational Unit

Housing Division

9. Address (give city, county, State, and zip code)

A. Address: 128 10th Avenue SW

B. City: Olympia

C. County: Thurston

D. State: Washington

E. Zip Code: 98504-2525

10. Name, title, telephone number, fax number, and e-mail of the person to be contacted on matters involving this application (including area codes)

A. Name: Mollie Wood

B. Title: Program Manager

C. Phone: 360/725-2943

D. Fax: 350/586-5880

E. E-mail: molliewood@cted.wa.gov

11. Employer Identification Number (EIN) or SSN

91-08238820

12. Type of Applicant (enter appropriate letter in box)

A

A. State

I. University or College

B. County

J. Indian Tribe

C. Municipal

K. Tribally Designated Housing Entity (TDHE)

D. Township

L. Individual

E. Interstate

M. Profit Organization

F. Intermunicipal

N. Non-profit

G. Special District

O. Public Housing Authority

H. Independent School District

P. Other (Specify)

13. Type of Application

☒ New ☐ Continuation ☐ Renewal ☐ Revision

If Revision, enter appropriate letters in box(es)

A. Increase Amount B. Decrease Amount C. Increase Duration

D. Decrease Duration E. Other (Specify)

14. Name of Federal Agency

U.S. Department of Housing and Urban Development

15. Catalog of Federal Domestic Assistance (CFDA) Number

14 --- 231

Title:

Component Title: Emergency Shelter Grants Program

16. Descriptive Title of Applicant's Program

ESG Program for Washington State

17. Areas affected by Program (boroughs, cities, counties, States, Indian Reservation, etc.) State of Washington

18a. Proposed Program start date
1/1/06

18b. Proposed Program end date
12/31/06

19a. Congressional Districts of Applicant
Third

19b. Congressional Districts of
Program Statewide

20. Estimated Funding: Applicant must complete the Funding Matrix on Page 2.

21. Is Application subject to review by State Executive Order 12372 Process?

A. Yes ☐ This preapplication/application was made available to the State Executive Order 12372 Process for review on: Date _____

B. No ☒ Program is not covered by E.O. 12372
☐ Program has not been selected by State for review.

22. Is the Applicant delinquent on any Federal debt? ☒ No

☐ Yes If "Yes," explain below or attach an explanation.

Funding Matrix

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Grant Program*	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income	Total
ESG	1,363,419.00								1,363,419.00
									0.00
									0.00
									0.00
									0.00
Grand Totals	1,363,419.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,363,419.00

* For FHIPs, show both initiative and component

Certifications

I certify, to the best of my knowledge and belief, that no Federal appropriated funds have been paid, or will be paid, by or on behalf of the applicant, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with the awarding of this Federal grant or its extension, renewal, amendment or modification. If funds other than Federal appropriated funds have or will be paid for influencing or attempting to influence the persons listed above, I shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying. I certify that I shall require all sub awards at all tiers (including sub-grants and contracts) to similarly certify and disclose accordingly.

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23. Signature of Authorized Official

Sue Mauermann

Name (printed)

Sue Mauermann

Title

Deputy Director; Washington State Department of Community, Trade and Economic Development

Date (mm/dd/yyyy)

11/10/2005

Application for Federal Assistance

U.S. Department of Housing
and Urban Development

OMB Approval No.2501-0017 (exp. 03/31/2005)

1. Type of Submission

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2. Date Submitted 11/15/2005	4. HUD Application Number
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	6. Applicant Identification Number DUNS No. 808-88-2303

7. Applicant's Legal Name Washington State DCTED		8. Organizational Unit Local Government Division	
9. Address (give city, county, State, and zip code) A. Address: 128 10th Avenue SW B. City: Olympia C. County: Thurston D. State: Washington E. Zip Code: 98504-2525		10. Name, title, telephone number, fax number, and e-mail of the person to be contacted on matters involving this application (including area codes) A. Name: Steven K. Washington B. Title: Managing Director, Community Development Programs C. Phone: 360/725-3005 D. Fax: 350/586-4152 E. E-mail: stevenw@cted.wa.gov	
11. Employer Identification Number (EIN) or SSN 91-08238820		12. Type of Applicant (enter appropriate letter in box) A. State B. County C. Municipal D. Township E. Interstate F. Intermunicipal G. Special District H. Independent School District I. University or College J. Indian Tribe K. Tribally Designated Housing Entity (TDHE) L. Individual M. Profit Organization N. Non-profit O. Public Housing Authority P. Other (Specify) A	
13. Type of Application <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Renewal <input type="checkbox"/> Revision If Revision, enter appropriate letters in box(es) <input type="checkbox"/> <input type="checkbox"/> A. Increase Amount B. Decrease Amount C. Increase Duration D. Decrease Duration E. Other (Specify)		14. Name of Federal Agency U.S. Department of Housing and Urban Development	
15. Catalog of Federal Domestic Assistance (CFDA) Number Title: Component Title: WA State CDBG Program 14 --- 228		16. Descriptive Title of Applicant's Program Washington State Community Development Block Grant Program	
17. Areas affected by Program (boroughs, cities, counties, States, Indian Reservation, etc.) Non-entitlement cities and counties within the entire state of Washington		18a. Proposed Program start date 1/1/06	
18b. Proposed Program end date 12/31/06		19a. Congressional Districts of Applicant Third	
		19b. Congressional Districts of Program Statewide	
20. Estimated Funding: Applicant must complete the Funding Matrix on Page 2.			
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The applicant must provide the funding matrix shown below, listing each program for which HUD funding is being requested, and complete the certifications.

Grant Program*	HUD Share	Applicant Match	Other HUD Funds	Other Federal Share	State Share	Local/Tribal Share	Other	Program Income	Total
State CDBG	15,911,802.00	318,236.00							16,230,038.00
									0.00
									0.00
									0.00
									0.00
Grand Totals	15,911,802.00	318,236.00	0.00	0.00	0.00	0.00	0.00	0.00	16,230,038.00


* For FHIPs, show both initiative and component

Certifications

I certify, to the best of my knowledge and belief, that no Federal appropriated funds have been paid, or will be paid, by or on behalf of the applicant, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with the awarding of this Federal grant or its extension, renewal, amendment or modification. If funds other than Federal appropriated funds have or will be paid for influencing or attempting to influence the persons listed above, I shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying. I certify that I shall require all sub awards at all tiers (including sub-grants and contracts) to similarly certify and disclose accordingly.

Federally recognized Indian Tribes and tribally designated housing entities (TDHEs) established by Federally-recognized Indian tribes as a result of the exercise of the tribe's sovereign power are excluded from coverage of the Byrd Amendment, but State-recognized Indian tribes and TDHEs established under State law are not excluded from the statute's coverage.

This application incorporates the Assurances and Certifications (HUD-424B) attached to this application or renews and incorporates for the funding you are seeking the Assurances and Certifications currently on file with HUD. To the best of my knowledge and belief, all information in this application is true and correct and constitutes material representation of fact upon which HUD may rely in awarding the agreement.

23. Signature of Authorized Official 		Name (printed) Sue Mauermann	
Title Deputy Director; Washington State Department of Community, Trade and Economic Development		Date (mm/dd/yyyy) 11/10/2005	

APPENDIX A

Appendix A

CDBG Eligible and Ineligible Jurisdictions

CDBG Eligible And Ineligible Jurisdictions

Eligible Jurisdictions

Non-Entitlement Cities and Towns:

Aberdeen	Farmington	Morton	Soap Lake
Albion	Ferndale	Moses Lake	South Bend
Almira	Forks	Mossyrock	South Cle Elum
Asotin	Friday Harbor	Moxee	Sprague
Benton City	Garfield	Naches	Springdale
Bingen	George	Napavine	St. John
Blaine	Goldendale	Nespelem	Starbuck
Brewster	Grand Coulee	Newport	Stevenson
Bridgeport	Grandview	Nooksack	Sumas
Bucoda	Granger	North Bonneville	Sunnyside
Burlington	Hamilton	Northport	Tekoa
Cashmere	Harrah	Oakesdale	Tenino
Castle Rock	Harrington	Oak Harbor	Tieton
Cathlamet	Hartline	Oakville	Toledo
Centralia	Hatton	Ocean Shores	Tonasket
Chehalis	Hoquiam	Odessa	Toppenish
Chelan	Ilwaco	Okanogan	Tumwater
Chewelah	Ione	Omak	Twisp
Clarkston	Kahlotus	Oroville	Union Gap
Cle Elum	Kalama	Othello	Uniontown
Colfax	Kelso	Palouse	Vader
College Place	Kettle Falls	Pateros	Waitsburg
Colton	Kittitas	Pe Ell	Walla Walla
Colville	Krupp	Pomeroy	Wapato
Conconully	Lacey	Port Angeles	Warden
Concrete	La Conner	Port Townsend	Washtucna
Connell	La Crosse	Prescott	Waterville
Cosmopolis	Lamont	Prosser	West Richland
Coulee City	Langley	Pullman	Westport
Coulee Dam	Leavenworth	Quincy	White Salmon
Coupeville	Lind	Rainier	Wilbur
Creston	Long Beach	Raymond	Wilson Creek
Cusick	Lyman	Reardan	Winlock
Davenport	Lynden	Republic	Winthrop
Dayton	Mabton	Ritzville	Yelm
East Wenatchee	Malden	Riverside	Zillah
Electric City	Mansfield	Rock Island	
Ellensburg	Marcus	Rosalia	
Elma	Mattawa	Roslyn	
Elmer City	McCleary	Royal City	
Endicott	Mesa	Sedro Woolley	
Entiat	Metaline	Selah	
Ephrata	Metaline Falls	Sequim	
Everson	Montesano	Shelton	

Appendix A

CDBG Eligible and Ineligible Jurisdictions

Non- Entitlement Counties:

Adams	Ferry	Klickitat	Skagit
Asotin	Franklin	Lewis	Skamania
Benton	Garfield	Lincoln	Stevens
Chelan	Grant	Mason	Thurston
Clallam	Grays Harbor	Okanogan	Wahkiakum
Columbia	Island	Pacific	Walla Walla
Cowlitz	Jefferson	Pend Oreille	Whatcom
Douglas	Kittitas	San Juan	Whitman
			Yakima

Ineligible Jurisdictions

Entitlement Cities and Towns:

Airway Heights	Duvall	Marysville	Sammamish
Algona	Eatonville	Medical Lake	Sea Tac
Anacortes	Edgewood	Medina	Seattle
Arlington	Edmonds	Mercer Island	Shoreline
Auburn	Enumclaw	Mill Creek	Skykomish
Bainbridge Island	Everett	Millwood	Snohomish
Battle Ground	Fairfield	Milton	Snoqualmie
Beaux Arts	Federal Way	Monroe	South Prairie
Village	Fife	Mount Vernon	Spangle
Bellevue	Fircrest	Mountlake	Spokane
Bellingham	Gig Harbor	Terrace	Spokane Valley
Black Diamond	Gold Bar	Mukilteo	Stanwood
Bonney Lake	Granite Falls	Newcastle	Steilacoom
Bothell	Hunts Point	Normandy Park	Sultan
Bremerton	Index	North Bend	Sumner
Brier	Issaquah	Olympia	Tacoma
Buckley	Kennewick	Orting	Tukwila
Burien	Kent	Pacific	University Place
Camas	Kenmore	Pasco	Vancouver
Carbonado	Kirkland	Port Orchard	Washougal
Carnation	La Center	Poulsbo	Waverly
Cheney	Lake Forest- Park	Puyallup	Wenatchee
Clyde Hill	Lake Stevens	Redmond	Wilkeson
Covington	Lakewood	Renton	Woodinville
Darrington	Latah	Richland	Woodland
Deer Park	Liberty Lake	Ridgefield	Woodway
Des Moines	Longview	Rockford	Yacolt
Du Pont	Lynnwood	Roy	Yakima
	Maple Valley	Ruston	Yarrow Point

Entitlement Counties:

Clark	Kitsap	Snohomish
King	Pierce	Spokane